

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

C&L Committee

G. Cordero, Chair
C. Kurtz, Vice Chair
J. Abdo
L. Ackerman
D. Erdman
A. Kassakhian
M. Luna
J. Morris
G. Peterson
T. Quinn
R. Record
H. Repenning
T. Smith

Communications and Legislation Committee - Final - Revised 1

Meeting with Board of Directors *

August 15, 2022

12:30 p.m.

Teleconference meetings will continue until further notice. Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-877-853-5257; enter meeting ID: 831 5177 2466. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (833) 548-0276 and enter meeting ID: 815 2066 4276.

Monday, August 15, 2022 Meeting Schedule

09:30 a.m. Adj. F&I
10:30 a.m. Adj. E&O
12:30 p.m. Adj. C&L
01:00 p.m. Adj. WP&S
03:00 p.m. Adj. OWC

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the Meeting of the Communications and Legislation Committee held July 12, 2022 [21-1384](#)

Attachments: [08152022 CL 2A Minutes.pdf](#)

3. CONSENT CALENDAR ITEMS - ACTION

- 7-15** Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): Clean Energy, Jobs, and Affordability Act of 2022; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [REVISED SUBJECT] [21-1421](#)

Attachments: [08162022 CL 7-15 B-L](#)
[08152022 CL 7-15 Presentation](#)

**** END OF CONSENT CALENDAR ITEMS ****

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Report on activities from Washington, D.C. [21-1385](#)

Attachments: [08162022 CL 6a Report & Leg Matrix](#)

- b. Report on activities from Sacramento [21-1386](#)

Attachments: [08162022 CL 6b Report & Leg Matrix](#)

7. MANAGEMENT REPORTS

- a. External Affairs Management Report [21-1387](#)

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

COMMUNICATIONS AND LEGISLATION COMMITTEE

July 12, 2022

Chair Cordero called the teleconference meeting to order at 1:00 p.m.

Members present: Chair Cordero, Vice Chair Kurtz (entered after roll call) Directors Abdo, Erdman, Morris, G. Peterson, Quinn and Record.

Members absent: Directors Ackerman, Kassakhian, Luna, Repenning and Smith.

Other Board Members present: Chairwoman Gray, Directors Atwater, Blois, De Jesus, Dennstedt, Faessel, Fong-Sakai, Goldberg, Jung, Lefevre, McCoy, Miller, Ramos, and Pressman.

Committee Staff present: Hagekhalil, Novoa, Scully, Sims, and Zinke.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE’S JURISDICTION

None

CONSENT CALENDAR ITEMS – ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the Meeting of the Communications and Legislation Committee held June 13, 2022.

3. CONSENT CALENDAR ITEMS – ACTION

- | | | |
|-----|----------|--|
| 7-5 | Subject: | AB 2108 (Rivas, D-Hollister and Garcia, D-Bell Gardens): Water policy: environmental justice: disadvantaged and tribal communities. |
| | Motion: | Express support, if amended, for AB 2108 (Rivas, D-Hollister and Garcia, D-Bell Gardens): Water policy: environmental justice: disadvantaged and tribal communities. |

The following Directors provided comments or asked questions:

1. Cordero

2. Dennstedt
3. Morris
4. G. Peterson
5. Quinn

Staff responded to the Directors' comments or questions.

After completion of the presentation, Director Quinn made a motion, seconded by Director Peterson to approve items 2A and 7-5:

The vote was:

Ayes: Directors Abdo, Cordero, Erdman, Kurtz, Morris, Peterson, Quinn and Record
Noes: None
Not Voting: None
Abstentions: None
Absent: Directors Ackerman, Kassakhian, Luna, Repenning and Smith

The motion passed by a vote of 8 ayes, 0 noes, 0 not voting, 0 abstain, and 5 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Subject: Report on Activities from Washington, D.C.

Presented by: Abby Schneider, Executive Legislative Representative

Ms. Schneider provided a written report on activities from Washington, D.C. with a legislative update including the National Defense Authorization Act of 2023, the House Interior and Environment bill, and the Senate Energy and Natural Resources hearing.

- b. Subject: Report on Activities from Sacramento.

Presented by: Kathy Viatella, Executive Legislative Representative

Ms. Viatella provided a written report on activities from Sacramento including an update on the changes to committee leadership positions, legislative calendar, the FY 2022/23 state budget, drought & water resilience funding highlights, and other legislative priorities.

The following Directors provided comments or asked questions:

None

7. MANAGEMENT REPORTS

- a. Subject: External Affairs Management's Report

Presented by: Sue Sims, External Affairs Group Manager

Ms. Sims provided an update on water conservation and climate-resiliency messaging and outreach activities, including the next phase of advertising, a press conference with State Secretary for Natural Resources Wade Crowfoot and officials from the city of Pasadena, new conservation ads, updated talking points and conservation partnerships.

The following Director provided a comment or asked a question:

None

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on August 15, 2022.

Meeting adjourned at 1:27 p.m.

Gloria Cordero
Chair



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

8/16/2022 Board Meeting

7-15

Subject

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): Clean Energy, Jobs, and Affordability Act of 2022; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

As amended on May 23, 2022, SB 1020 sets interim targets to ensure that retail electric providers reach their 100 percent clean energy goal by 2045; accelerates the date by which state agencies must achieve 100 percent clean energy procurement from 2045 to 2030, including the State Water Project (SWP); and establishes a Climate and Equity Trust Fund to address rising retail electricity rates (**Attachment 1.**) While Metropolitan supports efforts to ensure California achieves 100 percent clean energy by 2045, the bill fails to consider the costs to the Department of Water Resources (DWR) and, ultimately, water ratepayers from setting an accelerated 2030 target to achieve zero emissions for the SWP. The procurement requirements imposed on the SWP and the lack of funding to offset the cost impact of an accelerated target date will impact the State Water Contractors (SWC) and, ultimately, water affordability. Staff estimates Metropolitan's share would amount to an additional \$130 million annually, including both procurement of new resources and transmission access improvements.

Details

Background

SB 1020 is the latest in a series of bills and Executive Orders designed to strengthen California's climate policy. The California Global Warming Solutions Act of 2006 (AB 32, Núñez) required California to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2020. SB 32 (2016, Pavley) extended AB 32 by requiring the state to reduce GHG emissions to 40 percent below 1990 levels by 2030. In 2018, Governor Brown signed SB 100 (DeLeón) and Executive Order B-55-18, establishing the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100 percent clean energy to all California end-use customers and state agencies by December 31, 2045.

The SWP has become a major source of grid reliability providing significant economic benefits for the State of California. As California takes steps to accelerate the move towards a clean energy future, the SWP will play an increasingly important role. According to DWR, the SWP's current power portfolio consists of 70 percent carbon-free resources, increasing to 75 percent by 2030 and 100 percent by 2045. Approximately 50 percent of the SWP's power is provided by its own emission-free hydroelectric generation. The remainder is made up of contracted renewable resources (approximately 20 percent), short-term purchases from the California Independent System Operator (CAISO) markets (25 percent), and a long-term contract with a natural gas facility in Lodi, California (5 percent).

In 2019, the Legislature directed the California Natural Resources Agency in coordination with DWR and the California Energy Commission to assess opportunities for the SWP to further support grid reliability and the state's clean energy goals by helping integrate renewable resources and reduce greenhouse gas emissions while sustaining reliable SWP water deliveries. The report, referred to as the SB 49 report, is not yet released.

Additionally, in 2021 DWR released an energy road map that identified how SWP assets could be leveraged to achieve a more sustainable energy future. Metropolitan supports DWR's efforts to achieve carbon neutrality for the SWP; that support is consistent with Metropolitan's greenhouse gas reduction goals and initiatives as part of the Board-adopted Climate Action Plan.

Summary of SB 1020 as Amended May 23, 2022

SB 1020 sets interim targets for all retail sales to end-use customers (i.e., 90 percent by 2035 and 95 percent by 2040) to reach SB 100's statewide goal of 100 percent clean energy by 2045. The bill also accelerates the 100 percent clean energy goal for electricity procured to serve state agencies and the SWP from December 31, 2045, to December 31, 2030.

SB 1020 requires DWR to procure newly developed eligible renewable energy resources and zero-carbon resources for the SWP to meet the 2030 target. The new procurements must meet certain requirements including, but not limited to, that the resources be located within California and be interconnected in front of a customer meter, be capable of dispatch by CAISO, and be constructed utilizing multi-craft project labor agreements. SB 1020 directs DWR to invite all electrical corporations, community choice aggregators, electric service providers, and publicly owned utilities to voluntarily subscribe to its procurement commitments. All resources procured by DWR shall first meet DWR's own electricity needs, except for procured resources subject to a voluntary subscription. Additional resources procured by DWR shall then meet the accelerated zero-carbon resource targets of other state agencies.

Finally, SB 1020 requires the Public Utilities Commission (PUC) and California Energy Commission (CEC) to jointly establish a California Affordable Decarbonization Authority (Authority) to administer a Climate and Equity Trust Fund (Trust Fund) to benefit electricity end-use customers and promote affordable electricity rates. The Authority shall be governed by an independent board of directors, whereas funding for the Trust Fund may include, but not limited to, monies from the federal government, the Greenhouse Gas Reduction Fund, and noncompliance penalties assessed by the CEC, PUC, or Air Resources Board. Disbursements from the Trust Fund shall include direct credits on electric utility ratepayer bills; direct rebates or incentives to market participants, technology vendors, technology installers, and end-use customers; and reimbursement of eligible costs incurred by retail electric providers in the form of matching funds.

Potential Impacts on Metropolitan

The accelerated procurement requirements imposed on the SWP by SB 1020 will increase procurement costs significantly without the potential for offsets and could interfere with current efforts by DWR to incorporate renewables into the SWP energy portfolio. DWR estimates that the bill will result in \$2.6 billion in additional costs to the SWP for new resource procurement, and a total of \$3.2 billion including needed transmission access improvements (\$600 million). As the largest SWP contractor, Metropolitan would bear the brunt of these cost increases, which staff estimates would be \$130 million annually, including both procurement of new resources and transmission access improvements. To put that in perspective, from 2010 to 2020, Metropolitan's total annual power charges ranged from \$94 million to \$219 million. It would take an estimated seven-plus percent rate increase to cover these increased costs, unless cuts in this amount can be made from other areas of Metropolitan's budget.

While SB 1020 would provide direct credits to electric utility ratepayers to help maintain affordability as the state transitions to 100-percent clean energy, there is no similar cost offset mechanism for water ratepayers or to help DWR lower the cost of accelerating the target date of achieving 100 percent clean energy for the SWP. These costs will be borne by the SWC and ultimately passed on to retail water agencies. This could threaten water affordability, especially for low-income households, at a time when rates are expected to increase to pay for upgrades to aging infrastructure and new local supplies in response to climate change.

Suggested Amendments

In coordination with the SWC, Metropolitan is seeking amendments to minimize the cost impacts to the SWP and maintain water affordability.

Metropolitan and the SWC seek amendments to ensure the Trust Fund can fund procurement of renewable energy resources and initiatives to achieve zero-carbon emissions for the SWP and to maintain water affordability. In addition, Metropolitan and the SWC have suggested the following amendments to reduce cost impacts:

- 1) Delay the procurement target to 2035 and set interim milestones.
- 2) Delete certain procurement requirements that increase costs.
- 3) Clarify that DWR would not be financially responsible for any renewable procurement subscriptions on behalf of other entities or state agencies.

Metropolitan will also seek a provision that would exempt DWR and the SWP from meeting any compliance deadlines if they are unable to do so due to unforeseeable or uncontrollable circumstances, such as grid reliability and supply chain constraints.

Metropolitan shared concerns regarding cost impacts with the author's office and provided a set of amendments for their consideration. Amendments under consideration include the deletion of certain procurement requirements, extension of the target date for the SWP compliance to 2035, and ensuring the Trust Fund can be used to offset costs to the SWP. Discussions with the author's office are still underway. DWR estimates that the extension of the target date for SWP compliance to 2035 would incur \$1.2 billion in additional procurement costs plus transmission access, as compared to the \$3.2 billion total of the currently proposed 2030 target date.

As of the publication of this letter, the bill was on suspense in Assembly Appropriations. Current supporters include some electric utilities, community choice aggregators, environmental non-governmental organizations, and The Utility Reform Network, a utility ratepayer advocacy organization. Those opposed include environmental justice groups, who are concerned the bill would enable biogas projects on dairy farms, along with the Western Electrical Contractors Association, who are opposed to the inclusion of project labor agreement language.

Recommendation

Staff recommends the Board authorize the General Manager to oppose SB 1020 unless it is amended to minimize the cost impact to the SWP and maintain water affordability.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52579, dated November 9, 2021, the Board adopted the Legislative Priorities and Principles for 2022, Section V. Climate Change and the Environment, C. Renewable Energy, Subsection 4. Support administrative/legislative actions and funding for the SWP and the CRA to incorporate renewable energy resources, such as pumped hydroelectric energy, that contribute to the state's climate goals without impacting the projects' primary purpose, provided consideration is given to transmission limitations, cost and portfolio availability, and unrelated impacts are not shifted to SWP or CRA facilities.

California Environmental Quality Act (CEQA)

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 (Public Resources Code Section 21065; Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it can be seen with certainty that there is no possibility that this activity may have a significant effect on the environment (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

CEQA determination for Option #3:

None required

Board Options

Option #1

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): Clean Energy, Jobs, and Affordability Act of 2022.

Fiscal Impact: Potentially significant if the bill is passed without suggested amendments. Cost impacts to the SWP would be passed on to Metropolitan.

Business Analysis: If the bill passes with suggested amendments, the energy costs to the SWP would be offset and Metropolitan would not incur additional energy costs beyond those expected due to SB 100's energy goals.

Option #2

Express support, if amended, for SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): Clean Energy, Jobs, and Affordability Act of 2022

Fiscal Impact: Potentially significant if the bill is passed without suggested amendments. Cost impacts to the SWP would be passed on to Metropolitan.

Business Analysis: If the bill passes with suggested amendments, the energy costs to the SWP would be offset and Metropolitan would not incur additional energy costs beyond those expected due to SB 100's energy goals.

Option #3

Take no position on SB 1020

Fiscal Impact: If passed, the bill could result in significant costs to the SWP that would be passed on to Metropolitan.

Business Analysis: Costs for Metropolitan's SWP supplies could be significantly adversely impacted.

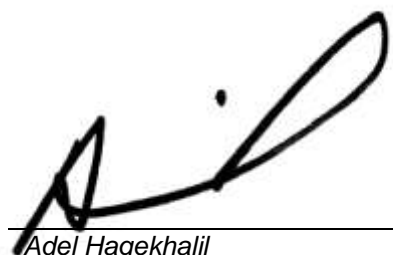
Staff Recommendation

Option #1



Susan Sims
External Affairs Group Manager

8/12/2022
Date



Adel Hagekhalil
General Manager

8/12/2022
Date

Attachment 1 – SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): Clean Energy, Jobs, and Affordability Act of 2022, as amended May 23, 2022

Ref# ea12686490



Communications & Legislation Committee

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): **Clean Energy, Jobs, and Affordability Act of 2022.**

Item 7-15

August 15, 2022

Summary of **SB 1020** (as amended on May 23, 2022)

- Sets interim milestones for all retail sales to achieve SB 100 clean energy goal (100% by 2045)
 - 90% by December 31, 2035
 - 95% by December 31, 2040
- Accelerates 2045 target for state agencies to 2030
- Creates Climate and Equity Trust Fund to assist in rate mitigation for electricity customers
- Establishes frameworks for DWR
 - to achieve accelerated target compliance for the SWP
 - to help state agencies achieve accelerated targets

California Climate Policy Background

Timeline

2006

AB 32 (Nuñez)

Reduce GHG emissions to 1990 levels by 2020.

2016

SB 32 (Pavley)

Extended AB 32 by requiring state reduce GHG emissions to 40 % below 1990 levels by 2030.

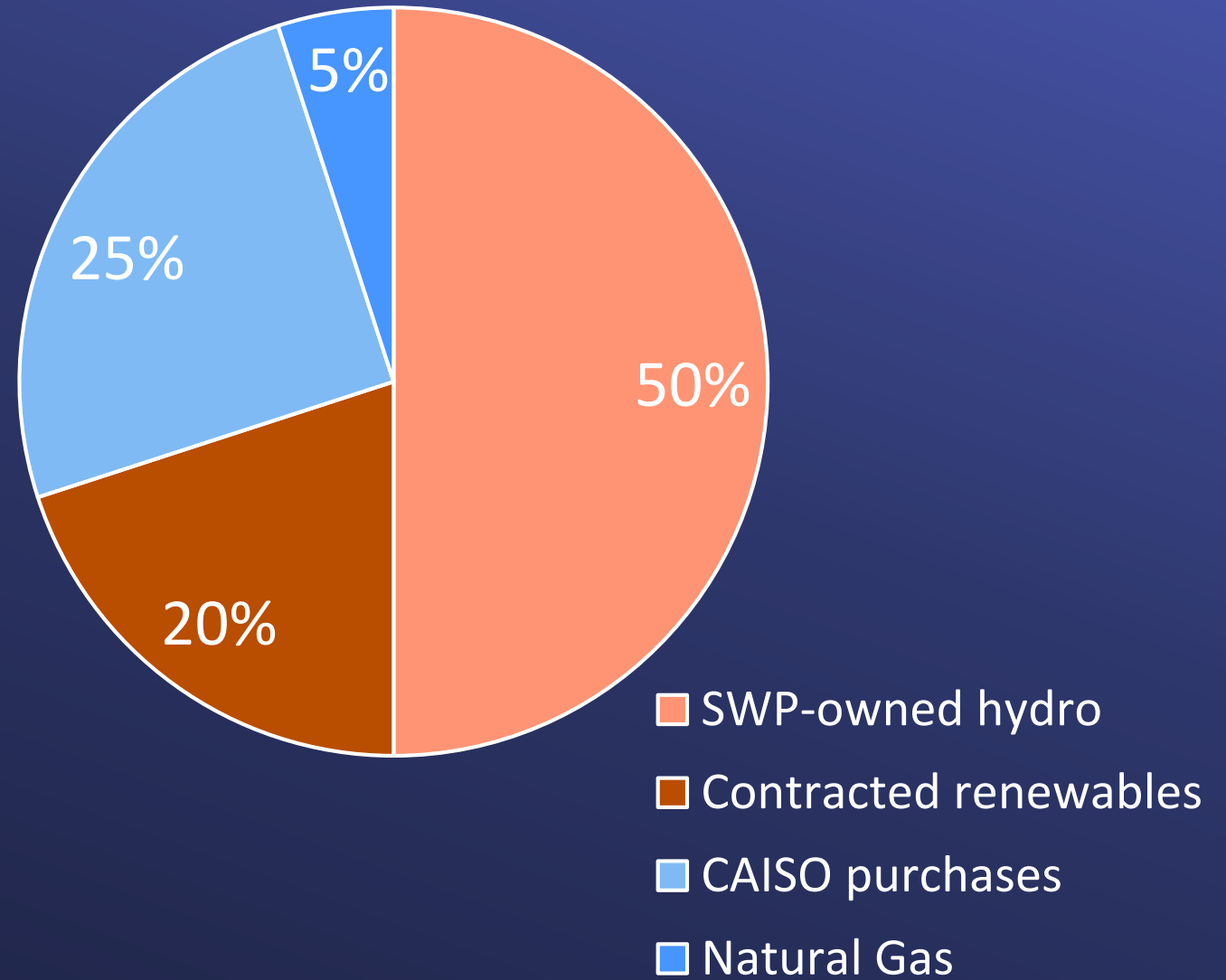
2018

**SB 100 (DeLeón)
&**

Executive Order B-55-18

Set 100 % clean energy policy for electric utilities and state agencies by 2045

State Water Project Energy Profile



SB 1020 Issues: Operational & Equity.

- Accelerates target by 15 years (to 2030) for SWP to achieve 100% clean energy
- Imposes procurement requirements on DWR
- Requires DWR to procure renewables on behalf of other state agencies
- SWP ineligible to receive assistance from the Climate and Equity Trust Fund

SB 1020 Issues: Water Affordability.

Impacts of Proposed Target Compliance Date

- New target of 2030 for SWP
 - + \$2.6 billion – new resource procurement
 - + \$600 million – transmission access improvements
 - TOTAL \$3.2 billion
- Metropolitan's share: additional \$130 million annually, including both procurement of new resources and transmission access improvements.

SB 1020 Issues

Eligibility Constraints.

- SB 1020 would substantially limit the scope of eligible renewable/zero-carbon resources to achieve the target.
- SB 1020 procurement requirements:
 - Newly developed
 - Interconnected in front of the meter
 - Located within California
 - Capable of being dispatched & operated by CAISO

SB 1020 Issues

DWR & Procurement.

- Creates de facto procurement role for DWR
- DWR required to invite IOUs, POUs, CCAs, etc. to subscribe to its SWP procurement commitments
- Additional eligible resources procured by DWR could be used to meet other state agencies' accelerated targets

Proposed Amendments.

- Change the SWP target to achieve 100 percent clean energy to 2035 and set interim milestones
- Delete procurement requirements so DWR has ability to procure cost effective alternatives
- Clarify DWR would not be financially responsible for any renewable procurement subscriptions on behalf of other entities or state agencies
- Ensure the Climate and Equity Trust Fund can fund:
 - procurement of renewable energy resources for the SWP
 - initiatives that could help the SWP achieve zero carbon emissions

Agreed upon Amendments.

- ✓ Removed procurement requirements so DWR has ability to procure cost effective alternatives
 - Except provision requiring resources to be dispatchable and operated by CAISO
- ✓ Clarified that DWR would not be financially responsible for any renewable procurement subscriptions on behalf of other entities or state agencies
- ✓ Added provision that recognizes existing DWR contracts for fossil fuel generation
- ✓ Added “force majeure” provision authorizes Governor to alter target date due to any unforeseen circumstances

Remaining Issues.

- Change the SWP target to achieve 100 percent clean energy to 2035 and set an interim milestone
 - DWR estimates \$1.2 billion in additional procurement costs plus transmission access improvements, compared to \$3.2 billion total with currently proposed 2030 target date.
- Ensure the Climate and Equity Trust Fund can fund efforts to achieve new SWP target including
 - procurement of SWP renewable energy resources
 - initiatives to help SWP achieve zero carbon emissions
- Remove or alter the requirement that eligible renewable energy resources & zero-carbon resources be dispatchable by the CAISO

Other Positions.

Support

- Central Coast Community Energy
- Central Coast Energy Services
- Elders Climate Action, NorCal and SoCal Chapters
- Marin Clean Energy
- Offshore Wind California
- San Diego Gas & Electric
- Sonoma Clean Power
- The Utility Reform Network (TURN)

Opposition

- Animal Legal Defense Fund
- California Environmental Justice Alliance
- CEJA Action
- Center for Food Safety
- Clean Water Action
- Community Water Center
- Food & Water Watch
- Leadership Counsel for Justice and Accountability
- Western Electrical Contractors Association

Board Options.

Option #1

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego)

Option #2

Express support, if amended, for SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego)

Option #3

Take no position

Staff Recommendation.

Option #1

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego)



Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): [Clean Energy, Jobs, and Affordability Act of 2022](#).

Questions.

Kathy Viatella, Legislative Services





● Report on activities from Washington, D.C

Summary

Report on activities in Washington, D.C.

Purpose

(3) Informational

Attachments

Attachment #1 – August 2022 Federal Legislative Matrix

Detailed Report

Schedule

The House and Senate are now in a pro-forma session (very brief meetings, often only a few minutes in duration) for the August recess. The Senate is scheduled to return to session on September 6 and the House is scheduled to return on September 13.

GM Hagekhalil Hearing Testimony

General Manager Hagekhalil testified before the House Natural Resources Subcommittee on Water, Oceans, and Wildlife on July 21 in support of H.R. 8090, a bill that extends Reclamation's authority to produce basin studies for the next 10 years.

Metropolitan staff had participated in the 2012 Basin States Study on the Colorado River and contributed to several other basins studies including the Los Angeles and Santa Ana basins and the Sacramento-San Joaquin system. GM Hagekhalil's testimony highlighted the importance of these studies in bringing interested parties together to plan for future water supply conditions. He stated, "We can no longer deny the impacts of climate change on our water supply and must work together as one to implement a One Water vision of integrating our projects and increasing sustainable water management if we are to successfully adapt to the critical hydrological conditions in our watersheds."

Appropriations

Senate Democrats and Republicans failed to reach an agreement on overall Fiscal Year 2023 (FY 23) funding levels. Instead, the Senate Appropriations Committee Democrats released text of all 12 spending bills on July 28 bypassing the traditional Committee markup process.

The Senate Interior and Environment bill funds several federal agencies including the Environmental Protection Agency (EPA). Consistent with the House bill, the Senate bill proposes the same funding for EPA's State Revolving Fund programs: \$1.7 billion for the Clean Water State Revolving Fund and \$1.1 billion for the Drinking Water State Revolving Fund. This funding is in addition to the \$2.2 billion each fund will receive in FY 23 from the Infrastructure Investment and Jobs Act. The Senate bill also provides \$5 million for EPA's alternative water sources program. This is less than the House proposed but, if enacted, it would be the first time the program receives funding and would provide a new source of grant funding for water recycling projects.

The Senate Energy and Water appropriations bill funds the Bureau of Reclamation (BOR) and other agencies. This Senate proposal is slightly lower than the House bill. It provides \$55 million for water recycling projects, \$132 million for water storage projects, and \$55 million for WaterSMART grants.

Date of Report: 8/16/2022

Board Report (Report on activities from Washington, D.C)

This funding is in addition to the \$1.6 billion BOR will receive in FY 23 from the Infrastructure Investments and Jobs Act.

It is unlikely that the appropriations bills will become law before FY 22 ends on September 30 and a continuing resolution keeping government funded at FY 22 levels will be needed to allow sufficient time to negotiate a deal. Staff will provide updates as the process moves forward.

H.R. 5118, the Wildfire Response and Drought Resiliency Act

Before breaking for the August recess, the House approved a wildfire and drought package on July 29. Numerous bills Metropolitan supports were incorporated into H.R. 5118, the Wildfire Response and Drought Resiliency Act, including:

- H.R. 8434, extending the authority for Reclamation's large-scale recycling program for another 10 years and authorizing \$700 million for the program;
- H.R. 7874, authorizing \$100 million for water efficiency and conservation grants;
- Several water science bills including H.R. 8090 to reauthorize Reclamation's Climate Change and Water Science Program; H.R. 7792, the Water Data Act; and H.R. 4832, the Open Access Evapotranspiration Act.

Additionally, the bill authorizes funding for a variety of programs that Metropolitan supports, including:

- \$500 million for the Secretary of Interior to use to prevent Lake Powell and Lake Mead from declining to critically low water levels,
- \$600 million for Title XVI water recycling projects, and
- \$250 million in funding for Salton Sea environmental restoration projects.

Inflation Reduction Act

The Senate completed one last marathon vote before the August recess. After struggling all year to come up with a deal on a tax and climate change bill, Senate Democrats agreed on the Inflation Reduction Act (IRA) of 2022. The IRA is structured as a budget reconciliation bill and needed just 51 votes to pass. It provides direct funding from the treasury, bypassing the usual appropriations process. Western Senators worked together to secure \$4 billion in funding between now and 2026 for drought mitigation in the bill. This new funding can be used for three primary purposes: compensation for reductions in water diversions or consumptive use; system conservation projects in the Upper or Lower Basin of the Colorado River; and ecosystem and habitat restoration projects to address issues caused by drought.

Other items of interest in the bill include: \$550 million through 2031 for grants to provide drinking water to disadvantaged communities that lack access to a reliable water supply, \$25 million through 2031 to study placing solar panels on water conveyance facilities to generate renewable energy, and \$12.5 million through 2026 to mitigate the impacts of drought on Indian Tribes.

The Senate passed the bill by a vote of 51-50 on August 7; the House will reconvene in a special session on August 12 to take up the bill.

Conclusion

Staff continues to actively monitor and engage on Metropolitan policy and program priorities and will provide regular updates to the Board on these issues as they develop.

Metropolitan Water District of Southern California
Federal Legislative Matrix
August 15, 2022 – 117th Congress, Second Session

Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Assistance for Disadvantaged Communities	H.R. 3293 (Rochester, D-DE)	7/2/21: Passed the House as part of H.R. 3684 (DeFazio, D-OR), Invest in America Act.	Low Income Water Customer Assistance Programs Act of 2021 Establishes programs to assist low-income households with their drinking water and wastewater bills.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill does not directly impact Metropolitan but would help its member agencies. It creates a voluntary EPA grant program to help water systems expand the scope of their existing ratepayer assistance programs or create new ones.
Conservation	H.R. 4647 (Huffman, D-CA) S. 2430 (Feinstein, D-CA)	11/19/21: Passed the House as part of H.R. 5376 (Yarmuth, D-KY), Build Back Better Act. 7/22/21: Referred to the Senate Committee on Finance.	Water Conservation Rebate Tax Parity Act Amends the Internal Revenue Code of 1986 to expand the exclusion for conservation subsidies to include water conservation or efficiency measures and storm water management measures.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill makes rebates that homeowners receive for water conservation improvements to their home, including smart irrigation systems and turf removal, exempt from federal taxes. If enacted Metropolitan and its member agencies would no longer need to provide tax forms at the end of the year to customers that have received \$600 or more in water conservation rebates.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Conservation	H.R. 5438 (Cartwright, D-PA)	9/30/21: Referred to the House Committees on Energy and Commerce, Energy and Reform, and Ways and Means.	Water Advanced Technologies for Efficient Resource Use Act of 2021 Addresses federal procurement of WaterSense products, creates a grant program for water conservation incentives, and makes water conservation incentives federally non-taxable.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill authorizes a new grant program to help water agencies provide financial incentives to consumers for the purchase of WaterSense products. It also includes tax parity for water conservation measures. If enacted there could be some considerable water conservation benefits in Metropolitan’s service territory. Grants could be used to increase rebate amounts for smart irrigation controllers and customers who receive rebates over \$600 will not be taxed.
Conservation	H.R. 6088 Gallego, D-AZ) S. 3282 (Kelly, R-WV)	11/30/21: Referred to the House Committee on Energy and Natural Resources. 11/30/21: Referred to the Senate Committee on Environment and Public Works.	Water Infrastructure Modernization Act of 2021 Authorizes a new grant program to help wastewater and drinking water systems detect leaks and reduce water loss.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill directly benefits Metropolitan and its member agencies by creating a grant program to help cover the costs for conveyance leak detection and reduce supplier-side water loss. It could be used for a variety of investments including smart water network technologies, real-time sensing technologies, real-time decision support, and advanced metering infrastructure.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Conservation	H.R. 7847 (McNerney, D-CA) S.4279 (Padilla, D-CA)	7/29/22: Passed the House as part of H.R.5118, the Wildfire Response and Drought Resiliency Act 5/19/22: Referred to the Senate Environment and Public Works Committee	Water Efficiency, Conservation, and Sustainability Act of 2022 Creates new EPA grant programs for water efficiency and conservation measures, water loss control programs, and water efficient plumbing code adoption.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill directly benefits Metropolitan and its member agencies by creating new grant programs to help both water agencies and consumers reduce water loss. The new programs will supplement on-going work by Metropolitan and its member agencies and promote water conservation throughout Metropolitan's service territory.
Endangered Species Act Oversight.	H.R. 866 (Calvert, R-CA)	3/3/21: Referred to the House Natural Resources Subcommittee on Water, Oceans and Wildlife.	Federally Integrated Species Health Act or the "FISH Act" Transfers the authority to oversee ESA-related responsibilities for anadromous fish from the Secretary of Commerce to the Secretary of the Interior.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This would simplify ESA consultations by consolidating those functions/authorities to one federal agency (US Fish and Wildlife Service) rather than two under the current law (the second being National Marine Fisheries Service). This would directly benefit Metropolitan's interests in the Delta related to SWP operations and facilities, as well as Delta islands activities.
Financing Tools for Water Infrastructure Projects	H.R. 535 (Garamendi, D-CA) S. 91 (Sinema, D-AZ)	1/28/21: Referred to the House Committees on Oversight Reform and Financial Services. 1/28/21: Referred to the Senate Committee on Finance.	Special Districts Provide Essential Services Act Allows special districts to access future federal funding to help offset costs associated with responding to the COVID-19 pandemic. It also defines special districts in federal statute for the first time.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	Metropolitan and some of its member agencies would qualify as special districts under the Act. If additional funds are allocated to states to help offset costs associated with the COVID-19 pandemic, special districts would be eligible to receive funding.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Financing Tools for Water Infrastructure	H.R. 1848 (Pallone, D-NJ)	11/15/21: Funding for PFAS removal and EPA’s State Revolving Funds included in the Infrastructure Investment and Jobs Act, Public Law 117-58.	Leading Infrastructure for Tomorrow’s America Act or the LIFT America Act To rebuild and modernize the Nation's infrastructure, rehabilitate drinking water infrastructure, modernize the electric grid and energy supply infrastructure.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would positively impact Metropolitan and its member agencies. It reauthorizes EPA’s drinking water state revolving loan fund and establishes a grant program to provide capital funding for PFAS remediation, and lead service line replacement. It creates DOE programs to provide funding for enhanced physical and cybersecurity, accelerate the use of renewable energy and transition to zero-emission vehicle fleets.
Financing Tools for Water Infrastructure Projects	H.R. 1915 (DeFazio, D-OR)	11/19/21: Clean water SRF funding included in the Infrastructure Investment and Jobs Act, Public Law 117-58. Other provisions included in House passed H.R. 5376 (Yarmuth, D-KY), Build Back Better Act.	Water Quality Protection and Job Creation Act of 2021 Authorizes \$50 billion in investment over 5 years for wastewater and stormwater infrastructure improvements.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by authorizing increased funding for EPA’s clean water state revolving fund and other wastewater and stormwater programs. It also authorizes \$1 billion in grants to implement treatment standards for PFAS and other emerging contaminants.
Financing Tools for Water Infrastructure Projects	H.R. 3282 (McKinley, R-WV)	5/17/21: Referred to the House Committees on Energy and Commerce and Transportation and Infrastructure.	Drinking Water Funding for the Future Act of 2021 To reauthorize funding for EPA drinking water programs under the Safe Drinking Water Act and America's Water Infrastructure Act of 2018.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by reauthorizing numerous EPA water infrastructure programs including the drinking water state revolving fund, WIFIA, the lead testing in school programs, and workforce development program.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Financing Tools for Water Infrastructure Projects	H.R. 3404 (Huffman, D-CA)	5/21/21: Referred to the House Committees on Energy and Commerce, Judiciary, Natural Resources, Science, Space and Technology, and Transportation and Infrastructure.	Furthering Underutilized Technologies and Unleashing Responsible Expenditures (FUTURE) Western Water Infrastructure and Drought Resiliency Act The bill authorizes funding for water infrastructure projects, including storage, recycling, and desalination projects, in Reclamation states. It also creates a new Reclamation program to help underserved communities have access to drinking water, authorizes investments to improve the use of technology and data in water forecasting, provides tax parity for water conservation and efficiency measures, and authorizes habitat restoration funding.	SUPPORT AND AMEND Based on Board-adopted January 2021 Federal Legislative Priorities	Metropolitan and its member agencies would benefit from numerous provisions in this bill including the additional funding for water recycling projects, tax parity for water conservation and efficiency measures, and new financing mechanisms for water projects including habitat restoration and dam safety. Metropolitan is seeking amendments to ensure groundwater and surface storage projects have access to federal funding.
Financing Tools for Water Infrastructure Projects	H.R. 4099 (Napolitano, D-CA) S. 2334 (Cortez Masto, D-NV)	11/15/21: Included in the Infrastructure Investment and Jobs Act, Public Law 117-58. 5/25/22: Hearing held before the Senate Energy and Natural Resources Subcommittee on Water and Power.	Large Scale Water Recycling Project Investment Act Directs the Secretary of the Interior to establish a competitive grant program for the planning, design, and construction of large-scale water recycling and reclamation projects that provide substantial water supply and other benefits to drought stricken regions within the Reclamation States.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and our member agencies by authorizing a new Reclamation program to provide funding for the Regional Recycled Water Project and other large-scale recycled water projects. This new program would provide more federal financial assistance for recycled water projects than is available through the current Title XVI, water recycling program.

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Financing Tools for Water Infrastructure Projects	H.R. 7776 (DeFazio, D-OR) S. 4136 (Carper, D-DE)	6/9/22: Passed House 6/08/22, 392-28. 5/04/22: Approved by the Senate Environment and Public Works Committee.	Water Resources Development Act of 2022 Authorizes U.S. Army Corps of Engineers (Corps) to carry out water resources development projects and studies; and provides policy direction to the Corps for implementation of its civil works mission.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	While this bill does not impact Metropolitan directly, it authorizes projects and feasibility studies for some of our member agencies. Additionally, there are several provisions that could be beneficial to Metropolitan including a study of Corps reservoirs in arid Western states to evaluate opportunities to improve water supply, respond to drought, and prepare for climate change.
Financing Tools for Water Infrastructure Projects	S. 479 (Wicker, R-MS)	2/25/21: Referred to the Senate Committee on Finance.	Lifting Our Communities through Advance Liquidity for Infrastructure Act or the LOCAL Infrastructure Act To amend the Internal Revenue Code of 1986 to reinstate advance refunding bonds	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	The ability to advance refund bonds on a tax-exempt basis would benefit Metropolitan and its member agencies by allowing municipal issuers to lower borrowing costs to take advantage of favorable interest rates.
Financing Tools for Water Infrastructure Projects	S.914 (Duckworth, D-IL)	4/29/21: Passed the Senate, 89-2. 11/15/21: Included in the Infrastructure Investment and Jobs Act, Public Law 117-58.	Drinking Water and Wastewater Infrastructure Act of 2021 Authorizes \$35 billion in investment over 5 years for drinking water and wastewater infrastructure improvements.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by authorizing increased funding for numerous EPA programs including the clean water and drinking water state revolving fund program, WIFIA, an infrastructure resiliency and sustainability program, and a grant program to remove lead service lines.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Financing Tools for Water Infrastructure Projects	S. 2454 (Padilla, D-CA)	7/22/21: Referred to the Senate Committee on Environment and Public Works.	Water Reuse and Resiliency Act of 2021 Authorizes \$1 billion over five years for the EPA’s Pilot Program for Alternative Water Source Projects grants program.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by authorizing increased funding for an EPA program to provide grants for water recycling and stormwater management projects.
Financing Tools for Water Infrastructure Projects	S. 4231 (Feinstein, D-CA)	5/25/22: Hearing held before the Senate Energy and Natural Resources Subcommittee on Water and Power.	Support To Rehydrate the Environment, Agriculture, and Municipalities Act” or the “STREAM Act Authorizes funding for a variety of Bureau of Reclamation infrastructure investments including storage, water recycling, desalination, and ecosystem restoration projects for 5 years. It also authorizes a new assistance to provide drinking water to disadvantaged communities and creates a new low interest loan program to help finance western water projects.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by providing more funding for water infrastructure projects and ecosystem restoration projects. For example, the bill would accelerate the development of local water recycling projects by authorizing \$300 million for the Title XVI-WIIN water reuse grants program and raising the per-project funding cap from \$20 million to \$50 million. Additionally, the bill authorizes \$250 million for environmental restoration projects, including helping imperiled species adapt to climate change. This new program could support Metropolitan’s science projects in

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Financing Tools for Water Infrastructure Projects	S. 4494 (Cortez-Mastro, D-NV) H.R. 8434 (Lee, D-NV)	6/23/22: Referred to the House Committee on Energy and Natural Resources. 7/29/22: Passed the House as part of H.R.5118, the Wildfire Response and Drought Resiliency Act.	Facilitating Large-Scale Water Recycling and Reuse Projects Act Amends the Infrastructure Investment and Jobs Act to provide for an additional authorization of appropriations for the large-scale recycled water program and repeal the termination of authority for that program.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill permanently establishes Reclamation’s large-scale recycling water program. This change will allow Metropolitan to better utilize the program to help fund the Pure Water Southern California project. The Senate bill authorizes an additional \$500 million for the program, the House bill authorizes an additional \$700 million.
Source Water Protection	H.R. 1881 (Garamendi, D-CA)	3/15/21: Referred to the House Transportation and Infrastructure Subcommittee on Water Resources and Environment	Federal Water Pollution Control Permitting Terms Amends the Federal Water Pollution Control Act (Clean Water Act) with respect to permitting terms.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This legislation would extend the maximum term for National Pollutant Discharge Elimination System (NPDES) permits issued under the Clean Water Act from 5 to 10 years, for public agencies that have demonstrated compliance with existing permit conditions. This change is designed to better reflect the construction schedules for public agencies.

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Source Water Protection	H.R. 2008 (Craig, D-MN) S. 29 (Klobuchar, D-MN)	6/15/21: Passed the House, referred to the Senate Committee on Environment and Public Works. 1/22/21: Referred to the Senate Committee on Environment and Public Works.	Local Water Protection Act Amends the Federal Water Pollution Control Act (Clean Water Act) to reauthorize through FY25 a grant program to help states manage nonpoint source water pollution or protect groundwater quality. Authorizes \$200 million per year for this program.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by providing funding to help address non-point source pollution. Pollutants commonly associated with non-point sources include nutrients and pesticides. According to EPA, more than 40 percent of all impaired waters were affected solely by nonpoint sources, while less than 10 percent of water quality criteria exceedances were caused by point source discharges alone.
Source Water Protection	H.R. 2682 (Crow, D-CO) S. 1248 (Bennet, D-CO)	6/15/21: Referred to the House Agriculture Subcommittee on Conservation and Forestry. 4/20/21: Referred to the Senate Committee on Agriculture, Nutrition, and Forestry	Outdoor Restoration Partnership Act Establishes a \$60 billion fund at the Treasury Department for use by the Secretary of Agriculture for restoration and resilience projects, wildfire risk reduction projects and habitat restoration projects.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by funding projects to improve watershed health. It creates a grant program for restoration and resilience projects to improve forest conditions, rangeland health, watershed functions, or wildlife habitat. Additional grants would provide funding for partnership projects to reduce wildfire risk, restore habitat, and expand access to the outdoors. State agencies, local and tribal governments, and special districts may use these funds along with partner organizations.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Source Water Protection	H.R. 3534 (Panetta, D-CA) S. 2806 Feinstein, D-CA)	7/7/21: Referred to the House Agriculture Subcommittee on Conservation and Forestry. 10/21/21: Hearing held before the Senate Committee on Energy and Natural Resources.	Wildfire Emergency Act of 2021 Provides for programs and activities in support of forest restoration, wildfire mitigation, and energy resilience.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill has water supply, water quality, and ecosystem benefits for the Colorado River watershed and State Water Project watershed. Proper forest management and wildfire prevention promotes runoff, helps protect water quality, and improves habitat.
Water Infrastructure Improvements for the Nation (WIIN) Updates.	H.R. 1015 (Napolitano, D-CA)	11/15/21: \$500 million for water recycling projects included in the Infrastructure Investment and Jobs Act, Public Law 117-58.	Water Recycling Investment and Improvement Act Authorizes an increase in federal funding for the water recycling program created in the WIIN Act from \$50M to \$500M, raises the cap in federal funding from \$20M to \$30M per project, makes the program permanent by removing the 2021 expiration date, and removes the requirement that approved projects to be specifically named in appropriation legislation.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	A ten-fold increase in federal funding for water recycling projects could have a significant effect on Metropolitan and its member agencies with funding to significantly accelerate the development of recycled water projects that, once completed, would reduce or offset the need for new imported water supplies.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Water Infrastructure Improvements for the Nation (WIIN) Updates.	H.R. 1563 (Garcia, R-CA)	3/3/21: Referred to the House Committee on Natural Resources.	To Extend Authorities Under the Water Infrastructure Improvements for the Nation Act Extends the WIIN Act programs funding storage projects, water recycling projects, and desalination projects for seven years. Authorizes these programs at funding levels consistent with prior years: \$134 million/year for storage, \$20 million/year for recycling, and \$12 million/year for desalination.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This bill would benefit Metropolitan and its member agencies by providing funding for a variety of water infrastructure projects. Without an extension these Reclamation programs will expire at the end of the year.
Water Project Authorizations	H.R. 2552 (Costa, D-CA) S. 1179 (Feinstein, D-CA)	4/15/21: Referred to the House Committee on Natural Resources. 5/25/22: Hearing held before the Senate Energy and Natural Resources Subcommittee on Water and Power.	Canal Conveyance Capacity Restoration Act Authorizes the Bureau of Reclamation to provide financial assistance to mitigate the impacts of subsidence on California’s water delivery system.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	This legislation would authorize repairs to the Friant-Kern Canal, Delta-Mendota Canal, and California Aqueduct to restore conveyance capacity lost due to subsidence.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Water Science	H.R. 4832 (Lee, D-NV) S. 2568 (Cortez-Mastro, D-NV)	11/5/21: Hearing held before the House Natural Resources Subcommittee on Water, Oceans, and Wildlife. 6/7/22: Hearing held before the Senate Energy and Natural Resources Subcommittee on Public Lands, Forests, and Mining.	Open Access Evapotranspiration Data Act Establishes the Open Access Evapotranspiration (OpenET) Data Program to provide satellite-based evapotranspiration data from across the western U.S. to Federal agencies, States, and Indian Tribes. Authorizes \$14 million per year for five years for this program.	SUPPORT Based on Board-adopted January 2021 Federal Legislative Priorities	The OpenET platform is currently supported by NASA and private philanthropy. Dedicated federal funding and support will improve the quantification of evaporation and consumptive water use and help provide data users with field-scale estimates of evapotranspiration over user-defined time periods. This information will help Metropolitan measure consumptive water use in Palo Verde and throughout the Colorado River basin, including areas where there is currently little data available. Metropolitan could use this data to study water use trends, verify partner compliance with the terms of new and existing agricultural conservation programs, and measure the water supply benefits from such programs.
Water Science	H.R. 1437 (Sherrill, D-NJ) S. 3053 (Booker, D-NJ)	5/11/22: On motion to suspend the rules and pass the bill, (333-81). 5/11/22: Reported out favorably from the Senate Committee on Commerce, Science, and Transportation.	Providing Research and Estimates of Changes in Precipitation Act or PRECIP Act Requires the Administrator of the National Oceanic and Atmospheric Administration to update its precipitation frequency estimates at least every five years and better incorporate climate change into its precipitation modeling.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	This bill will benefit Metropolitan and its member agencies by improving storm forecasting. Better storm forecasting helps with supply and demand management.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Water Science	H.R. 7289 (Fletcher, D-TX) S.4492 (Peters, D-MI)	7/27/22: Passed the House, referred to the Senate Committee on Environment and Public Works. 6/23/22: Referred to the Senate Committee on Commerce, Science, and Transportation.	Federal PFAS Research Evaluation Act Directs the National Academy of Sciences to study and report on a Federal research agenda to advance the understanding of PFAS.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	Metropolitan supports research studies to understand the occurrence of PFAS in the environment. This bill directs the National Academy of Sciences to conduct studies to determine the research efforts needed to further the understanding of human exposure to, and toxicity of PFAS, as well as treatment of PFAS contamination in the environment, and the development of safe alternatives to PFAS.
Water Science	H.R. 7792 (Stansbury, D-NM) S. 4236 (Heinrich, D-NM)	7/29/22: Passed the House as part of H.R.5118, the Wildfire Response and Drought Resiliency Act 5/25/22: Hearing held before the Senate Energy and Natural Resources Subcommittee on Water and Power.	Water Data Act Creates a national water data council composed of department heads of Federal agencies with water-related activities and directs the council to develop a national water data framework. Authorizes a water data grant program at the Department of Interior.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	The Water Data Act is a national version of California's 2016 AB 1755 – Open and Transparent Water Data Act. Metropolitan supported AB 1755 and the development of the California Water Data Consortium.

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Topic	Bill / Author	Status	Title – Summary	MWD Position	Effects on MWD
Water Science	H.R. 8090 (Porter, D-CA)	7/29/22: Passed the House as part of H.R.5118, the Wildfire Response and Drought Resiliency Act.	To reauthorize funding for the Reclamation Climate Change and Water Program Extends the authorization for Reclamation’s basin studies program for ten years.	SUPPORT Based on Board-adopted January 2022 Federal Legislative Priorities	The Basin studies bring together technical experts, state and local water managers, conservation groups, and other stakeholders to assess water supply and demand imbalances at the river basin level. This benefits Metropolitan and its member agencies by ensuring consistent operations using science and awareness of the. In addition to the Colorado River basin, Reclamation has conducted these studies in other watersheds across the West including the Los Angeles and Santa Ana basins in Metropolitan’s service area and the Sacramento-San Joaquin system.



• Communications and Legislation Committee Report

Summary

This report provides information on state legislative activities.

Attachments

State Legislative Matrix

Detailed Report

State of California Legislative Report

The Legislature returned from summer recess on August 1 to finish the 2021-2022 legislative session. During the first half of August, the Senate and Assembly Appropriations Committees met to hear bills that have a fiscal impact. Many bills were placed on the suspense file, including some of Metropolitan's priorities. The committees will take up the suspense file on August 11; staff will provide an update in committee. During next two weeks, the Legislature will vote on hundreds of bills and complete work on a \$19 billion climate-energy budget package. The session ends August 31.

State Budget Update

Before adjourning for their summer recess in July, the Legislature passed a budget bill and planned to work on the details of a \$19 billion climate-energy package when members returned in August. In a budget summary, the Legislature reported there is \$2.7 billion set aside for drought resilience and response in the climate-energy package, but the details need to be determined. As reported last month, some funding was authorized in a set of budget bill juniors for urban drought relief, conservation and turf replacement, recycled water, and PFAS treatment.

Governor Newsom is also pursuing funding and new policies for several initiatives to ensure California can achieve statewide carbon neutrality as soon as possible. Metropolitan and a coalition of environmental groups and labor continue to advocate for additional funding for drought emergency projects and recycled water.

Legislative Update

Attached is an updated State Legislative Matrix.

Staff have been working on amendments to SB 230 (Portantino, D-La Cañada Flintridge), the constituents of emerging concern bill, with the State Water Resources Control Board and legislative staff. The Assembly Appropriations Committee has asked to reinstate the PFAS exclusion despite recent amendments that had removed it at the State Water Board's request. The State Water Board would like to spend state and federal dollars designated for CEC research on investigations and scientific studies on PFAS chemicals and is concerned the exclusion would prevent that. Metropolitan and CMUA are trying to strike a balance that would ensure any new program would not interfere with the State Water Board's current work on PFAS, but allow monies appropriated to the CEC Action Fund to be used for PFAS studies.

Metropolitan's other sponsored legislation, AB 1845 (Calderon, D-Whittier), that authorizes alternative delivery methods for the design and construction of Pure Water Southern California and specified drought emergency projects is on the Senate Floor. If it passes, it will go back to the Assembly to concur with the Senate's amendments to the bill.

Metropolitan, working with CMUA and ACWA, was able to negotiate amendments to SB 1124 (Archuleta, D-Pico Rivera). The author's office has agreed to address our concerns that the bill circumvents the regulatory process for setting a drinking water standard for manganese. The amendments require the State Water Board to review the public health goal established by the Office Environmental Health Hazard Assessment and any

Board Report (**Communications and Legislation Committee Report**)

monitoring results from the fourth Unregulated Contaminant Monitoring Rule to determine whether to establish a primary drinking water standard or to update the current secondary standard.

Last month, the Board voted to support AB 2108 (R. Rivas, D-Salinas): Water policy: environmental justice: disadvantaged and tribal communities if the bill were amended to address potential impacts to water rights throughout the state, including the Department of Water Resources' State Water Project rights. Staff registered the position with the Senate Appropriations Committee, and met with the sponsor, the California Coastkeeper Alliance, to negotiate amendments that would address Metropolitan's concerns. The author's office did not accept the amendments. The bill is on the suspense file in Senate Appropriations.

The following is an updated on some key bills Metropolitan is monitoring on behalf of the retail agencies. Metropolitan has no agency position on these bills.

ACWA and CMUA have been working on amendments to SB 222 (Dodd, D-Napa) to establish a low-income water rate assistance program. Both ACWA and CMUA currently oppose the bill unless it is amended to identify a dedicated funding source that does not raise water rates, among other concerns. The bill is on the suspense file in the Assembly Appropriations Committee. The associations and water agencies continue to work on amendments to resolve many of the retail water agency concerns; however, remaining issues need to be addressed.

SB 1157 (Hertzberg, D-Van Nuys) would lower the indoor water use standard and is on the suspense file in the Assembly Appropriations Committee. During this time, advocates for CMUA and WaterReuse California have been working with the author's office on amendments to include additional variances to accommodate unique challenges to water and wastewater operations. Most of the trade associations have moved to a watch position on the bill, except ACWA which remains opposed unless the bill is amended.

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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
Metropolitan-sponsored bills	SB 230 Portantino (D) Sponsors: Metropolitan and the California Municipal Utilities Association (CMUA)	Amended 6/22/2022 Assembly Appropriations Committee – Suspense File Hearing: August 11, 2022	State Water Resources Control Board: Constituents of Emerging Concern Program Seeks to expand statewide knowledge of Constituents of Emerging Concern (CECs) in drinking water sources and recommend CECs for further regulatory action.	CO-SPONSOR Based on October 2019 Board Action	Metropolitan and water agencies will benefit from State Water Board efforts to ensure CECs are addressed in a methodical and science-based manner, which will ultimately better protect public health. The bill would require the State Water Board to build its knowledge CECs in drinking water and authorizes the Board to convene a Science Advisory Panel to review and provide information on CECs for further regulatory action. The State Water Board would be required to present a final report to the Legislature on the work of the Science Advisory Panel.
Metropolitan-sponsored bills	AB 1845 Calderon (D) Sponsor: Metropolitan	Amended 6/16/2022 Senate Third Reading	Metropolitan Water District of Southern California: alternative project delivery methods Allows the Metropolitan Water District of Southern California to use alternative project delivery methods for the design and construction of a Regional Recycling Water Program and a	SPONSOR	Metropolitan is limited to the traditional Design-Bid-Build method for delivery of public works construction contracts which can be inefficient and inflexible for large, time-sensitive, and complex projects like Pure Water Southern California and emergency drought mitigation projects. Alternative delivery methods such as Design-Build, Progressive Design-Build, and Construction

**Metropolitan Water District of Southern California
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			limited set of drought-related projects.		Manager/General Contractor have the potential to expedite construction of critical new water infrastructure projects and reduce their overall costs. for subcontractors and designers.
Delta/State Water Project	SB 832 Dodd (D) Sponsor: Author	Amended 4/6/2022 Senate Appropriations Committee – Suspense File Held in Committee	Water rights: measurement of diversion Clarifies existing law that a person diverting 10 acre-feet or more of water per year under a registration is subject to existing water diversion measurement, recording, and reporting requirements. Also, authorize the State Water Board to modify water diversion measurement requirements to allow open satellite data methods to estimate evapotranspiration if the board makes certain findings regarding use of water for irrigation.	SUPPORT Based upon Board-adopted 2022 Legislative Priorities and Principles	Metropolitan supports metering and reporting of diversions to prevent unlawful diversion of State Water Project supplies in the Delta and other locations that may lead to additional regulatory burdens. Metropolitan is installing meters on its Delta Islands to comply with existing statutory requirements. While OpenET would be a useful tool for water management and could be used as an indicator of unlawful diversions in the Delta, it is a new methodology for California. The bill requires the State Water Board to conduct a five-year study to determine the adequacy of evapotranspiration methods as a substitute for conventional metering methods to comply with State Water Board reporting requirements.
Design-Build	SB 991 Newman (D)	Amended 6/20/2022	Public contracts: progressive design-build: local agencies	SUPPORT	SB 991 would benefit water agencies, including Metropolitan, by providing the option to use the Progressive Design-Build delivery method, which

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	Sponsors: Water Collaborative Delivery Association (formerly Design Build Council)	Assembly Floor Consent Calendar	Authorize local water and wastewater agencies to each use the progressive design-build (PDB) project delivery method for up to 15 public works projects each in excess of \$5 million.	Based on April 2022 Board Action	allows for greater collaboration between the project owner and the contractor through the design and construction phase thereby reducing project costs, risk, and schedules.
Governance	AB 2449 B. Rubio (D) Sponsor: Three Valleys Municipal Water District	Amended 6/30/2022 Senate Third Reading	Open meetings: local agencies: teleconferences Amends the Ralph M. Brown Act to allow local agencies until January 1, 2026 to use teleconferencing during non-emergencies without noticing their teleconference locations and making them publicly accessible under certain conditions.	SUPPORT Based on April 2021 Board Action	Metropolitan currently hosts teleconferencing public meetings in accordance with Executive Order, N-29-20. AB 2449 allows the option to hold teleconferenced meetings into the future after the COVID-19 public health emergency is over and the Executive Order is lifted as long as a quorum of the Board's directors participate in person; give notice and post agendas as prescribed; ensure that directors attending meeting participate through both audio and visual technology; and allow the public to address the Board in person or by teleconference. If there is a disruption to the call-in or streaming options, then no action can be taken by the board.

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Regulatory Reform	AB 2313 Bloom (D) Sponsor: Author	Amended 6/30/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Water: judges and adjudications Would require the Judicial Council on or before January 1, 2025 to establish a program that provides training and education to judges in specified actions relating to water quality, groundwater, water transfers and water rights. Allows parties to file a notice for a water case to be assigned to a judge who has been through the training. Also requires the Judicial Council to identify independent and nonpartisan experts in water issues who will be available to any judge adjudicating a water dispute and authorizes judges to appoint special masters in water cases to investigate technical and legal issues among other duties.	SUPPORT Based upon Board-adopted 2022 Legislative Priorities and Principles	Metropolitan’s interests in enforcement of water quality law and water rights would be better served by judges, court staff, and special masters who have received training in the legal, scientific, and technical issues involving water quality, water rights and water transfers.
Regulatory Reform	SB 1065 Eggman (D) Sponsor:	Amended 6/22/2022 Assembly Appropriations	California Abandoned and Derelict Commercial Vessel Program Establishes the California Abandoned and Derelict	SUPPORT	SB 1065 will benefit water quality in the Bay Delta as abandoned and derelict vessels may cause sewage contamination and leakage of fuels and lubricants. Studies have shown that abandoned and derelict vessels are

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	Author	Committee – Suspense File Hearing: August 11, 2022	Commercial Vessel Program within the Natural Resources Agency to bring federal, state, and local agencies together to identify, prioritize and, upon appropriation, fund the removal of abandoned and derelict commercial vessels from waters of the state.		one of the stressors to the Delta and its species. SB 1065 would also provide protection to Metropolitan properties in the Delta in the event any vessel happens to be abandoned in any of the waters surrounding Metropolitan's Delta Islands.
Water Bond Infrastructure Funding	SB 559 Hurtado (D) Sponsors: Friant Water Authority, San Luis & Delta Mendota Water Authority, and State Water Contractors	Amended 8/30/2021 Assembly Inactive Two-year bill	Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund Establishes the Canal Conveyance Capacity Restoration Fund that would upon appropriation provide up to \$785 million for the Department of Water Resources (DWR) to help pay for subsidence repairs to the State Water Project and Central Valley Project water conveyance systems and for necessary road and bridge upgrades.	WATCH Based upon Board adopted 2021 State Legislative Priorities and Principles	Portions of the California Aqueduct, the Friant Kern Canal and the Delta Mendota Canal have lost capacity due to subsidence. The Fund would upon appropriation provide funding to DWR to support a 10-year program to restore the capacity of the canals and ensure a more secure water supply. Funds could be used to cover one-third of the cost to restore the capacity of the canals. A federal companion bill is envisioned that would provide one-third the cost and local partners would contribute the remaining one-third of the cost. The creation of the Fund is contingent upon all the following: an appropriation of funds; an agreement is executed to provide for local cost share; and the provision of adequate cost share as determined by the DWR Director. The August 8 Assembly

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					Amendments are problematic causing the State Water Contractors and Metropolitan to withdraw support for the bill.
Water Conservation	AB 2142 Gabriel (D) Sponsor: Association of California Water Agencies California Water Efficiency Partnership WaterNow Alliance	Amended 4/6/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Income taxes: exclusion: turf replacement water conservation program. Would provide an exclusion from gross income for any amount received as a rebate, voucher or other financial incentive issued by a local water agency or supplier for participation in a turf replacement water conservation program during the taxable years of January 1, 2022 through January 1, 2027.	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supported the Making Conservation a Way of Life legislation and is working hard to promote indoor and outdoor conservation. Conservation rebates are key to success. California law previously exempted turf rebates from taxable income, but those provisions were allowed to sunset in December 2019. This bill would reinstate an important tax exemption for turf replacement rebates from gross income in California, aligning it with certain other permanently exempt efficiency rebates.
Water Quality	AB 1817 Ting (D) Sponsors: Breast Cancer Prevention Partners,	Amended 6/30/2022 Senate Third Reading	Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl (PFAS). Prohibits as of January 1, 2025, any person from manufacturing, distributing, selling, or offering for sale in California any textile articles that contain “regulated	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports the removal or reduction of PFAS in manufactured products in order to protect source water quality. The May 9 amendments excludes from the PFAS prohibition certain textiles, e.g. personal protective equipment, and requires a manufacturer of textiles that contains PFAS to provide a person

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	Natural Resources Defense Council, and Clean Water Action		PFAS” as defined, and requires the manufacturer to use the least toxic alternative to regulated PFAS.		selling the product a certificate of compliance stating the textile product complies with the PFAS prohibition. The Senate Environmental Quality Committee amended the bill to exempt certain textiles or grant longer compliance periods to address concerns regarding the lack of an adequate PFAS substitute for some textiles.
Water Quality	AB 2108 R. Rivas (D) Sponsor: California Coastkeeper Alliance	Amended 6/16/2022	Water policy: environmental justice: disadvantaged and tribal communities. Requires that one of the five (5) Governor appointees to the State Water Resources Control Board (State Board) be qualified in the field of water supply and water quality relating to environmental justice or tribal communities and at least one of the seven (7) appointees to each Regional Board have specialized experience to represent environmental justice or tribal communities. Requires the State Board and each Regional Board to begin addressing issues of	SUPPORT IF AMENDED	Some provisions in the bill are ambiguous in ways that could be interpreted to authorize and require the State Board to reallocate water rights, including in the Bay-Delta watershed, to address injustices or inequities, jeopardizing the current and future Bay-Delta Water Quality Control Plan update processes and potentially diminishing State Water Project supplies. Metropolitan is seeking amendments to clarify the bill’s focus on process and water quality under the State and Regional Boards’ existing authority over water quality.

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			environmental justice and social equity as early as possible in project planning processes and when issuing waste discharge permits or updating state or regional water quality control plans or policies.		
Water Quality	AB 2247 Bloom (D) Sponsors: Environmental Working Group, Clean Water Action, and California Association of Sanitation Agencies	Amended 5/19/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and PFAS products and product components: publicly accessible reporting platform. Requires the Department of Toxic Substances Control to develop a publicly accessible reporting platform to collect information about PFAS and products containing intentionally added PFAS by January 1, 2025. By July 1, 2025, manufactures will be required to register the PFAS or product containing intentionally added PFAS on the reporting platform.	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports the removal or reduction of PFAS in manufactured products to protect source water quality.
Water quality	AB 2771 Friedman (D) Sponsors:	Amended 6/13/2022	Cosmetic products: safety Prohibits as of January 1, 2025 any person or entity from	SUPPORT Based upon Board adopted	Metropolitan supports the removal or reduction of PFAS in manufactured products to protect source water quality.

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	Environmental Working Group, Breast Cancer Prevention Partners, The California Public Research Group (CALPIRG)	Senate Third Reading	manufacturing, selling, delivering, holding, or offering for sale in commerce any cosmetic product that contains PFAS.	2022 Legislative Priorities and Principles	
Water Quality	SB 1124 Archuleta (D) Sponsor: Author	Amended 6/23/2022 Assembly Appropriations Committee – Suspense File Hearing: August 11, 2022	Public health goal: primary drinking water standard: manganese Requires, on or before July 1, 2023, the Office of Environmental Health Hazard Assessment (OEHHA) to prepare a public health goal for manganese. Requires the state board, after OEHHA publishes a public health goal for manganese, to adopt a primary drinking water standard.	OPPOSE UNLESS AMENDED Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports efforts to ensure all communities have a safe and reliable water supply by setting drinking water standards through the normal regulatory process. The bill circumvents that process and could compromise a rigorous scientific process backed by data and stakeholder engagement. Metropolitan is working with CMUA and ACWA to seek amendments to ensure that the State Water Board follows a science-based approach and does not presuppose and outcome.

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