



**2019-2020 State and Federal Legislative Strategy:** The 2019-2020 State and Federal Legislative priorities and related strategies provide guidance for staff to properly focus efforts and allocate resources for Eastern Municipal Water District's (EMWD) federal and state legislative program over the course of the next two year session. The overall strategy in the upcoming legislative session is to ensure and enhance EMWD's operations and efficiency [and to elevate EMWD's profile](#) through the support or opposition of relevant legislation and administrative actions. The priorities outlined below support EMWD's strategic plan and mission.

EMWD has merged the State and Federal priorities and presents the following for consideration:

### **Funding/Financing/Budget**

Supports EMWD's Strategic Plan Objective addressing External Funding Opportunities: "Aggressively pursue outside funding to reduce financial burden to EMWD's customers."

#### **Federal Funding:**

- Pursue funding through appropriations for agency programs, competitive or discretionary grants, or other non-earmark funding mechanisms for EMWD's priority projects
  - Indirect Potable Reuse;
  - South Perris, Perris II Desalter;
  - Brine minimization; and,
  - Quail Valley wastewater infrastructure.
- Appropriations
  - Support a well-managed, responsible congressionally directed funding (earmark) process, including work plan funds added by Congress to augment the Administration's annual budget request; and,
  - Support robust funding for federal programs important to EMWD objectives.
- State Revolving Fund (SRF)
  - Support legislation to reauthorize the U.S. Environmental Protection Agency's (USEPA) state revolving fund to address the growing need for critical water, wastewater, and recycled water infrastructure, as well as to update the State Allocation Formula to recognize increased needs and population growth in California.
- Program Funding, Title XVI and WaterSmart
  - ~~Support legislation that creates a single competitive grant process for all Title XVI projects;~~
  - Support additional funding for the U.S. Bureau of Reclamation's Title XVI and WaterSmart programs; and,
  - Continue with current project eligibility for WaterSmart funding. Project eligibility should not be limited to U.S. Bureau of Reclamation facilities.
- Program Funding, Environmental Infrastructure Programs, Section 219
  - Support additional funding for the U.S. Army Corps of Engineers (Corps) Section 219 programs and work directly with agency officials to incorporate funding for EMWD's Section 219 projects in the Corps Work Plans.
- Tax Credit Bonds, Taxation of Conservation Rebates and other Alternative Financing Mechanisms

- Support legislation or administrative actions to provide that gross income does not include the amount of water conservation rebates;
- Support legislation to modify the U.S. tax code to facilitate the use of tax credit bond financing by water agencies for recycling, desalination, and groundwater remediation projects as well as tax-exempt municipal bonds and other funding mechanisms to reduce the cost of water projects; and,
- Oppose legislation or administrative actions to limit or eliminate tax-exempt bonds or other financing mechanisms that could be used to finance water infrastructure.
- High Quality Liquid Assets
  - Support legislation to require the appropriate federal banking agencies to treat certain municipal obligations as level 2A liquid assets.
- Reporting Requirements
  - Oppose legislation that would add duplicative and burdensome reporting requirements on public entities receiving federal grants.
- Water Resources Development Act (WRDA) Implementation
  - Support in-kind credit that allows the Corps to recognize the early investment of non-federal funds in Corps projects.

State Funding/Financing/Budget:

- Oppose legislative or administrative efforts to restrict or redirect the use of special district reserves, ~~or~~ property taxes, or ratepayer revenues without a direct and proportional benefit to EMWD customers;
- Oppose the application of a statewide public goods charge on ratepayers;
- Oppose effort to establish a statewide low income water rate assistance program that is not consistent with conservation objectives, and burdens water providers with collecting fees and charges ~~that are inconsistent with Proposition 218;~~
- ~~Oppose legislative or administrative efforts that would establish a one-size fits all approach to addressing water affordability;~~
- Support governance reforms of small water systems that chronically serve contaminated drinking water before assessing the need for outside revenues to address water safety and reliability concerns;
- Oppose the inclusion of a water use surcharge in the California Water Plan [Plan], which will directly impact the Plans goal of continuing a path toward sustainable water resources management;
- Support efforts to encourage the application of state general funds for one time investments in projects that would benefit failing water systems and seek to implement legislation that would establish a sustainable funding source to address water supply reliability for all Californians that does not rely on a water tax or a fee on imported water supplies; ~~or to address water quality concerns in disadvantaged communities;~~
- Oppose efforts to restrict the use of state revenue bonds to pay for infrastructure projects that provide broad public benefits to the state;
- ~~Oppose legislation that prevents or restricts non-payment shut-offs in a manner that jeopardizes an agency's bond rating or stability in the financial marketplace;~~

- [Oppose efforts that reduce access to, or threaten the viability of tax-exempt municipal bonds;](#)
- Support funding opportunities for public water systems to contractually provide necessary services to, or when appropriate assume ownership of, a failing water system; and,
- Support legislation that would establish funding for county Local Area Formation Commissions (LAFCO) to [address dissolutions](#), effectuate consolidations of water systems that fail to provide safe, clean, and reliable drinking water, [and complete municipal service reviews](#).

### **Water and Environmental Policy**

Supports EMWD's Strategic Plan Objective addressing Supply Diversity and Reliability: "Develop and implement a portfolio of projects and management techniques to achieve a reliable and cost-effective balance of water supplies utilizing imported, local, and recycled water sources."

#### Federal ~~National~~ Water Policy:

- [Support legislation to authorize and direct the Secretary of the Department of Interior to implement the Drought Contingency Plans for Colorado River consistent with the seven Basin States' related agreements;](#)
- Support legislation to increase investment in U.S. Bureau of Reclamation Title XVI and WaterSmart projects;
- Ensure that USEPA, and other federal agencies developing national water policy framework, take into account the contrasting hydrologic and climatologic conditions of the Western sector of the U.S.;
- Oppose legislation, rulemaking or guidance that increases federal jurisdiction of waters, and expands the definition of Waters of the U.S.;
- Oppose legislation, rulemaking or guidance that unnecessarily increases the cost of water delivery, storage, treatment, and management, without additional funding or other regulatory relief provided by the federal government; and,
- Support USEPA Science Advisory Board reform to allow for greater participation from industry stakeholders as well as state and local government officials.

#### State Water and Environmental Policy:

- Support legislation that protects local control for the development of water resources to accommodate economic and regional growth;
- Support legislation that advances the development, permitting, and implementation of potable reuse while ensuring water quality that protects public health;
- Support development and implementation of the California Water Action Plan in a consensus based manner that does not supersede or override EMWD's policy or infrastructure objectives, and/or local control;
- Support collaborative and regional efforts to address local water supply objectives and infrastructure needs;
- [Support data sharing efforts to maximize opportunities for voluntary water transfers, collaboration, and advance locally supported conservation measures; and,](#)
- Support legislation and administrative actions recognizing advancements that water purveyors have made towards reducing greenhouse gas emissions and addressing sustainability objectives,

and encourage any new policy objectives to remain voluntary, maintain local control, and avoids arbitrary baselines or targets.

### **Drought Management/Conservation Framework**

Supports EMWD's Strategic Plan Objective addressing Supply and System Redundancy: "Develop adaptable buffer supplies, water storage, and delivery system improvements to manage uncertain supply delivery conditions and emergency outages."

- Support legislation or administrative actions that would facilitate flexibility in salt management and increased salinity due to changes in source water as a result of drought conditions in California;
- Support legislation that would facilitate the exchange of information about water supply availability and projected demand for a broader range of projects;
- ~~Support legislative or administrative actions that reflect or build off of the elements of the 2009 water package when implementing long term conservation mandates;~~
- Oppose efforts that would limit local control on conservation and demand management reduction projects;
- Oppose on-going drought management objectives and conservation mandates that fail to consider local conditions including climate, water supply conditions, growth and investments in new water supplies;
- ~~Oppose administrative or legislative efforts to interject or position the administration or state agencies into a role where they require the development of local or regional water budgets;~~
- [Support efforts to streamline and align reporting requirements prescribed in the long term water use efficiency mandates;](#)
- [Oppose efforts that enables a dual track for development of water loss management requirements, or that suggests that the State Water Resources Control Board could advance a separate effort to address water loss prevention outside of the implementation of the long term water use efficiency mandates with existing reporting requirements;](#)
- Oppose legislation or administrative efforts that would establish water providers in roles as land-use decision-makers as it relates to development, land-use, and enforcement of long range planning objectives; and
- Support efforts that would establish and protect local control and local water management strategies to ensure lasting water supply reliability.

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

Supports EMWD's Strategic Goal addressing Water Supply and Reliability: "Provide a safe and reliable water supply portfolio that achieves an optimum balance of imported, local, and recycled water at a reasonable cost."

- Support administrative and or legislative action and funding to advance the California WaterFix/California EcoRestore, including identifying and constructing necessary conveyance and ecosystem improvements to achieve the co-equal goals of water supply and eco-system restoration; and,

- Oppose legislation or administrative actions that would derail implementation of the California WaterFix/California EcoRestore and the Delta Plan, or efforts to interject delays or additional, unnecessary requirements and studies into the process.

### **Desalination and Salinity Management**

Supports EMWD’s Strategic Plan Objective addressing Salinity Management: “Achieve salinity balance through cost effective supply management, source control, desalination, and optimization of brine management to maximize recycled water use and improve the water quality of local resources.”

- Support legislation that would streamline or encourage the advancement of brackish water desalination and recycled water projects to bring new water supplies on-line or enhance existing water supplies.

#### **Federal:**

- Support continued funding for Colorado River Basin Salinity Control Program; and,
- Seek multi-agency support and funding for full-scale development of a brine minimization program; and,
- Support [an amendment to](#) the WaterSense Authorization that disallows certification for devices that degrade water quality.

#### **State:**

- Support efforts that would establish grants, low-interest loans, and other funding for ongoing research and management of salinity in Southern California water supplies;
- Oppose legislative efforts that would restrict a local agency’s ability to manage the use of salt-discharging water softeners within their service area; and,
- Support funding for the removal of salts and other constituents in local water supplies.

### **Water Supply Management**

Supports EMWD’s Strategic Plan Goal addressing Water Supply and Reliability: “Provide a safe and reliable water supply portfolio that achieves an optimum balance of imported, local, and recycled water at a reasonable cost.”

- Support legislation that promotes expanded use and access to recycled water in a manner that encourages access without compromising operational objectives; and,
- Oppose legislation that further restricts access to imported water supplies.

#### **Federal:**

- Support funding authorization for continued implementation of the Lower Colorado River Multi-Species Conservation Plan; and,
- [Support legislation to advance the Lower Colorado River Drought Contingency Plan.](#)
- ~~• Support legislation to facilitate the Pechanga water settlement, ensuring that the water is used exclusively on tribal lands and not marketed for use outside the consolidated area.~~

#### **State**

- Support expanded access to resources and data for implementation of the Sustainable Groundwater Management Act; [and](#)
- [Support efforts to maximize beneficial groundwater recharge, especially during high storm events that will not impact downstream water users.](#)

### **Water Quality**

Supports EMWD’s Strategic Plan Objective addressing Quality: “Ensure all supplies introduced into [EMWD’s] distribution systems are of a water quality that protects the health and safety of the community and is in full compliance with all applicable Federal and State standards.”

- Support legislation or administrative actions to reduce pharmaceuticals in wastewater and receiving waters through take-back and other source control programs;
- Oppose efforts to legislate water quality standards [that are](#) more appropriately promulgated through scientifically-sound regulatory process;
- Support efforts to promote and secure funding for septic to sewer conversion projects that mitigate impacts to groundwater and surface water supplies; and,
- Support legislation that would streamline and protect grant funding opportunities to improve water quality and support infrastructure improvements.

#### **State:**

- Support legislation [and actions by the State Water Resources Control Board](#) that would provide incentives and grant funding to public water agencies willing to annex failing ~~mutual and private water companies~~ [water systems](#), provide safe and reliable water and wastewater service, and construct needed infrastructure improvements to, appropriately serve residents and businesses;
- Oppose legislation that minimizes the distinction between graywater, on-site recycled water, and recycled water supplies; and,
- Oppose legislative efforts to restrict a local government's ability to prohibit the installation of graywater [or reduce backflow requirements](#) for on-site recycled water systems/[onsite nonpotable treated water systems](#).

### **Energy**

Supports EMWD’s Strategic Plan Objective addressing Energy Independence: “Plan and cost-effectively implement local renewable energy projects with sufficient generation to meet [EMWD’s] entire net energy demands while minimizing [EMWD’s] carbon footprint.”

#### **Federal:**

- Support renewable energy legislation that acknowledges biosolids and biodiesel from fats, oils and greases and biogas (digester gas) as eligible renewable energy sources. Renewable energy production from the wastewater treatment process should be given priority, or at least equal footing, in any renewable energy legislation or programs; and,
- Monitor water/energy nexus legislation and regulatory activities.

#### **State:**

- Support legislation that would provide credit for renewable energy technologies (i.e. fuel cells, solar, etc.) to allow EMWD to offset internal combustion engine emission requirements and support the District in its goal to become energy independent;
- Support the availability of funding generated from any potential cap-and-trade revenues, carbon fee, or climate change offset revenues for investment in water sector renewable energy projects, energy saving water use efficiency programs and alternative water supply projects with lower embedded energy;
- Support legislation that would provide funding for new and emerging technologies that would assist EMWD in achieving water and energy savings;
- Support regulatory and legislative efforts to reduce impediments to the distribution and marketing of bio-methane;
- Support regulatory and legislative efforts to facilitate cost effective net metering for renewable and distributed energy generation by water and wastewater utilities;
- Oppose legislation that would indefinitely extend a blanket exemption on photovoltaic and wind generation facilities from water supply assessment requirements; and,
- Oppose legislative and administrative efforts that would prioritize water supply developments based off of the degree of embedded energy, promoting a “loading order” on water.

### **Endangered and Invasive Species Management**

Supports EMWD’s Strategic Plan Objective addressing Responsible Regulations: “Advocate for responsible regulatory policy that provides for meaningful environmental protection in a cost-effective manner.”

- Support legislation, actions and funding for controls, mitigation and elimination of invasive species, including quagga mussels and striped bass.

#### **Federal:**

- Support comprehensive modernization of the Endangered Species Act that offers integrated multi-species approaches to habitat protection, restoration and enhancement consistent with principles of best available science, adaptive management, and flexible implementation; and,
- Support inclusion of water supply protections in the Lacey Act.

### **Chemical Security**

Supports EMWD’s Strategic Plan Objective addressing Safety: “Provide a work environment, training, equipment, and other resources necessary to ensure the highest level of employee and community safety.”

#### **Federal:**

- ~~Oppose legislation that extends Chemical Facilities Anti-Terrorism Standards (CFATS) jurisdiction to water and wastewater treatment facilities; and,~~
- Support authorization for USEPA’s continued oversight of water and wastewater system security through vulnerability assessments and other risk management plans.

### **Government Efficiency/Transparency and Accountability**

Supports EMWD's Strategic Plan Goal addressing Finance and Treasury: "Ensure financial stability and demonstrate responsible stewardship of public funds."

- Oppose legislation or administrative efforts that would establish water providers in roles as land-use decision-makers as it relates to development, land-use, and enforcement of long range planning objectives;
- Support efforts that would clarify the process for water providers to apply tiered rates, and further provides flexibility and guidance to water providers in defining excessive use tiers;
- [Oppose efforts that would jeopardize sensitive water infrastructure data;](#)
- [Oppose legislation or administrative actions that would require a water provider to store, secure, and/or track data that is not germane to core district functions;](#)
- Oppose legislation that would arbitrarily force or restrict consolidations of special districts;
- Oppose legislation that would implement redundant and costly compliance measures;
- Oppose legislation that would curtail or diminish special district Board authorities;
- Oppose efforts by the Legislature to resolve state budget shortfalls through shifts in the allocation of property tax revenues, taking of special district reserves, or through fees/fines that will impact EMWD, its operations, and ratepayers;
- Oppose efforts to reapportion property tax allocations by state or local agencies; and,
- Oppose legislation that shifts responsibilities to local governments and special districts absent funding or reimbursement.

### **State Legislative Proposals for Sponsor/Co-sponsorship**

EMWD is seeking to [again co-sponsor](#) legislation to establish a new section within the Water Code that would allow for the dissolution and consolidation of several small water systems that chronically fail to serve safe drinking water. EMWD [co-sponsored](#) legislation [would](#) state the following:

- The State Water Resources Control Board (State Board) has identified [between 280 - 329](#) ~~(as of November 20, 2017)~~ water systems within the state that [chronically](#) fail to serve save drinking water;
- A majority of these systems are very small, serving less than 1,000 customers and are generally located within disadvantaged communities;
- These systems lack the local resources and economies of scale necessary to provide technical, managerial, and financial services that are required to bring these systems up to compliance;
- There exists a need to establish a new type of public water entity enabled by legislation that allows for the consolidation of multiple non-contiguous systems merged under one newly created independent special district that;
- The entity should be formed at the county or sub-county level, through a [local LAFCO](#) process, with representative governing body that is initially appointed and then ultimately elected identified;
- This entity needs to receive statutorily provided enhanced internal and external financial capabilities;



- Once this system is formed it should be able to achieve and attract economies of scale, skilled system operators, and resources to address ongoing operations/maintenance/ and capital improvements necessary to sustainably operate; and,
- EMWD believes that reforming the service delivery and governance model is prerequisite to defining long-term supplemental funding needs and this proposal is critical to establishing a tool that can be used in addition to existing consolidation options to bring about safe drinking water for all Californians.