

RWA Legislative and Regulatory Priority and Policy Issues

(Approved by the Board on January 14, 2021)

This updates the policy principles adopted by the board on January 9, 2020 by adding to the policy principles related to “protecting local authority to set water rates appropriate for accessible and reliable service”.

Introduction

The Regional Water Authority (RWA) Legislative and Regulatory Advocacy Program (Advocacy Program) has been created as part of the commitment to regional collaboration and unity in pursuit of the region’s common goals as acknowledged by the “RWA Strategic Plan”. The intent of the Advocacy Program is to positively influence legislative and regulatory actions to protect, preserve and improve the region’s water supply reliability.

This advocacy effort takes on many forms including high level commitment to increasing the region’s profile in California water politics; a focused and agreed upon set of priorities; a clear and resolute set of Policy Principles to guide advocacy positions and decisions; and fostering beneficial coalitions with allied organizations. The success of these advocacy efforts will be directly linked to maintaining the level of excellence this region has demonstrated in the stewardship of our water resources. This stewardship has resulted in the preservation and enhancement of our local watersheds; protection of a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people (the Lower American River); and a reliable and diverse water supply supporting the growth of the local economy.

The Priority Issues and companion Policy Principles that are adopted by the RWA Board and included herein serve as the foundation for RWA’s Advocacy Program. The Priority Issues are the long-standing, foundational issues that are at the core of RWA’s mission and stand the test of time. An example of a Priority Issue adopted as part of the Advocacy Program is the “protection of the water rights and entitlements of RWA member agencies”. Vigilant protection of these valuable, local assets will be a perpetual priority for RWA and its member agencies. The Policy Principles that support each of the Priority Issues are also long-term in nature though the RWA Advocacy Program should carefully consider and modify these on a regular basis to stay abreast of the ever-changing politics of California’s water resources management.

Combined, the Priority Issues and Policy Principles adopted by the Board of Directors serve as the Advocacy Platform that will guide development of annual legislative and regulatory work plans. The advocacy platform allows RWA staff and member agencies to operate within an agreed upon set of guidelines when advocating for the region’s common goals.

Following the Priority Issues and Policy Principles are the guidelines the Advocacy Program will use for determining recommended positions and prioritizing legislation that is introduced as part of each legislative session.

Finally, this document includes an overview of the California legislative process and calendar, as well as an overview of key state agencies in which we engage.

Priority Issues

Ensure a Diverse, Resilient, and Reliable Water Supply

Conjunctive use of surface and groundwater resources along with cost-effective investments in recycled water, stormwater capture, water efficiency, and water conservation can significantly drought proof the region's water supply, protect the region's water resources and environment, and assure the continued growth of the region's economy.

Policy Principles

- Promote legislative and regulatory measures that enhance local agencies' ability to share regional water resources.
- Promote and support the development and expansion of the Sacramento Regional Water Bank. Enhance state support of the Water Bank through bond funds or other funding sources.
- Support and participate in Folsom Reservoir and Central Valley Project operational improvements to assure a reliable surface water supply to RWA agencies.
- Develop infrastructure necessary to access surface water entitlements.
- Advance efforts to streamline CEQA compliance for water resource projects that diversify or strengthen this regions water supply reliability.
- Promote and support development of regulations that enhance water supply reliability and protect groundwater resources.
- Support measures that help expedite and cost-effectively integrate new water resources such as stormwater reuse and recycled water into the regions water supply portfolio.
- Continue to increase conjunctive use capabilities within the region.
- Sponsor and/or support legislation that guarantees investments made in regional water supply reliability and drought resilience are available for their intended purposes.
- Support cost-effective surface water and groundwater storage projects.

Protect the Water Rights and Entitlements of RWA Member Agencies

Water rights issues are complex and contentious. This region's surface water rights and entitlements and long-standing management of groundwater resources have been critical in the shaping of the local economy and are vital for the future. Our reasonable use of water has and will continue to assure the region's water rights and entitlements provide the region with

abundant, affordable and high quality water while maintaining and protecting the environmental resources of the Lower American River and the region's watersheds.

Policy Principles

- Support and defend the existing water rights priority system.
- Support enforcement of the existing water rights laws.
- Maintain area-of-origin protections.
- Oppose any unreasonable curtailments of our area's water rights that impact our beneficial use of water.
- Promote legislation that supports and clarifies the multiple beneficial uses of water.
- Support legislation and regulatory action that allows for retaining groundwater rights.
- Support new laws, policies, and regulations embracing the concept that recognize inherent regional differences that drive water use efficiency and conservation.
- Ensure that water rights are preserved, recognized and supported by all federal, state and local agencies. This includes rights to conserved water.
- Promote system operations that ensure delivery of water supplies based on water rights and contract obligations.
- Proactively engage with the SWRCB and other state and federal agencies, and other stakeholders, concerning the Bay-Delta water quality control plan and any related water-right matters in coordination with affected member agencies.
- Support and emphasize adherence to existing law applying to the state required reporting to "identify opportunities for streamlined reporting, and eliminate redundant data submissions" as a prism through which all future state proposals and current requirements should be evaluated.

Maximize Funding Opportunities Beneficial to RWA Member Agencies

The region is prepared to make and support investments that will improve water supply reliability and protect the environment, including the Lower American River. Large-scale infrastructure projects such as improvements at Folsom Reservoir, increased or new storage capacity, additional facilities on the Sacramento River, and expanded groundwater, recycled water, transmission and distribution facilities will help prepare the region for the future while protecting the environment and increasing water supply reliability.

Policy Principles

- Assure that any funding that is required from this region be returned to this region for the benefit of this region.
- Support policies that provide funding allocations based on merit of the project and the impact or benefit.
- Promote the statewide benefits that our actions provide due to our unique location within the State's water system.

- Support Proposition 218 reform that improves water agencies ability to fund programs that help diversify the region’s water supply portfolio.
- Promote statewide funding to increase flexibility for the CVP.
- Support legislation that provides funding for local and regional water resources infrastructure projects.
- Support funding for agencies to develop and utilize storm water capture projects.
- Ensure state funding is available for state-imposed mandates.

Protect Local Authority to Set Water Rates Appropriate for Accessible and Reliable Service.

RWA is comprised of public water suppliers. Local agencies provide approximately 85 percent of all funding for water management in California. Climate change driven changes in hydrology, aging infrastructure and deferred maintenance, and population growth, are increasing the need for additional investments and creating higher costs for local agencies. Additionally, the affordability of water for those least fortunate has been receiving more scrutiny. Further complicating the situation Proposition 218 limits the ability to both raise revenue and address affordability concerns through rate management.

Each water system is unique. Careful balancing and thoughtful prioritization are necessary for water agencies to allocate their limited rate payer resources to reliably deliver high quality affordable water on an on-going basis.

Recently, state agencies have taken actions to require both robust conservation signals and ensure access to water for all. Taken in totality, these efforts would appear to necessitate water to be both expensive and cheap at the same time. Additionally, retail water is used for multiple purposes, indoor, outdoor, and fire protection, among others, and water pricing reflects the need to meet all of these purposes.

Local agencies are best positioned to set water rates that meet all of these sometimes competing challenges. RWA supports policies that maintain local agencies’ authority to set their agency’s water rates as they determine appropriate to ensure the continued reliable delivery of high quality affordable water to their communities.

Policy Principles

- Help develop and support policies that meet water management goals without also exacerbating the challenge of water affordability.
- Help develop and support policies that preserve limited water agency funds to be used for their self-identified highest priority projects to adapt to climate change, increase water use efficiency, and minimize impacts to affordability.
- Help develop and support policies that promote investments from water suppliers statewide in their local and sometimes distant source watershed to maintain and

enhance water quantity and quality and maintain and improve environmental conditions.

- Help develop and support policies that reduce the local agency investment load to more equitable levels than the current 85 percent.
- Support policies that recognize existing affordability assistance programs and expand on affordability assistance opportunities, from Proposition 218 compliant, non-ratepayer sources.
- Support ratepayer assistance programs only if funded from progressive sources of revenue and without the use of a water tax.
- Support ratepayer debt relief and/or prohibitions on late fees and penalties only if water agencies are made whole from state or federal funds.

Ensure The Region Has Tools To Adapt To Climate Change

The primary impacts in California from climate change include the loss of snowpack, increasing volatility in precipitation patterns, rising temperature stress on riverine ecosystems, sea level rise, and expanding intensity and number of wildfires. Water management is already being challenged by these climate driven alterations. Challenges that will only be exacerbated in the future. However, the specific impacts will vary from watershed to watershed. The water supply and environmental effects experienced will depend on a number of variables that will be different for each water agency and in each source watershed.

In the American River watershed, as part of a basin study, several future scenarios are being analyzed out to the year 2085. Initial results show precipitation will come more as rain and occur in a narrower more volatile window. This will disrupt current water management operations balancing water supply, flood control, and environmental flows. Additionally, historical fire management practices have increased the threat of severe fire in the upper watershed along with resulting effects intensifying – including increasingly negative water quality impacts.

These hydrologic changes will necessitate changes to water management and future water management planning. Immediate action to address and mitigate these impacts is necessary to ensure the resiliency of the region. The region is prepared to invest our share, but those investments must correspond to benefits in our source watershed and in the region. There must be recognition that the lion share of water originating in the region has been developed for use outside of the region and that those outside entities should invest equally in the benefits they receive from the region.

Policy Principles

- Support policies that will enhance the analysis and characterization of the impacts of climate change on a watershed scale.

- Support policies to develop plans to address climate change through existing local agencies and integrated regional water management processes in a holistic way.
 - Plans should address source watersheds and connect surface, groundwater, and environmental stewardship. Plans should address geographically specific climate impacts expected. Making a “single standard” by which plans are structured is impractical.
 - Plans should be able to demonstrate resiliency to drought, flood, and fire threats, demonstrate durable environmental sustainability, demonstrate scalability to limit stranding investments, and demonstrate the ability for long-term sustainability.
- Support incentives for collaboration across disciplines. To efficiently address surface water, groundwater, and environmental reliability there is a need for enhanced collaboration and joint scientific, technical and implementation efforts.
- Support policies that enhance the ability to implement regional conjunctive use, and water banking.
- Support policies that prioritizes state funding assistance for plans that can be verified to comprehensively include adaptation, particularly in source watersheds, and address statewide impacts from climate change.

Promote Balanced Statewide Water Management Solutions Beneficial to the Greater Sacramento Region

RWA recognizes the need for a statewide water plan that assures a reliable water supply for all regions in the state. RWA supports a statewide solution, including protection of the Delta that is balanced and beneficial to the Sacramento region’s water supply reliability.

Policy Principles

- Ensure improvements or modifications to the statewide water system are protective of this region’s water supply.
- Support statewide water plans and policies that recognize and honor previous investments made to assure this region’s water supply reliability.
- Encourage revisions to policies and operations that streamline water transfers, including transfers of conserved water.
- Support statewide water storage solutions that provide benefit or are neutral to the region’s water supply reliability and flood protection.
- Encourage statewide water planning efforts that recognizes water management differs based on climate, population density, return flows, and other regional geographic and hydrologic factors.
- Promote modifications to state and federal operations that protect the region’s ability to use regional resources.

Promote Water Efficiency and Water Conservation

Our region invests in water efficiency and water conservation that are locally cost effective, feasible, and improve the water supply reliability of the region. Water efficiency makes good business sense and is key to assuring we continue our reasonable use of water consistent with our water rights and contracts. This region's water use efficiency is comparable to other parts of the state. The biggest driver of water use in the region is outdoor use in hot dry summers. In the most recent drought the region led the state in water savings producing 12 percent of savings while making-up only 5 percent of the state's population. Continued improvement on water use efficiency will depend on a consistent regulatory target.

Policy Principles

- Unique factors such as climate, land use, and return flows must be taken into consideration when developing statewide laws and regulations.
- Promote policies that recognized the differences between water efficiency and water conservation.
- Promote a better understanding of water use efficiency based on local supplies and site-specific factors.
- Define appropriate water conservation goal and objectives that consider local conditions.
- Develop partnerships with other local agencies on public affairs campaigns/messaging.
- Promote public-private partnerships with businesses that lead to greater water efficiency and benefit the local economy.
- Assure that the region receives the benefit of its water conservation efforts, including through water transfers consistent with state laws recognizing the transferability of conserved water.
- Assure any water loss requirements balance costs with benefits.

Support Stewardship of the Region's Environmental Resources

The region's management of water resources is committed to the preservation of the Lower American River and tributary watersheds as demonstrated by the historic Water Forum Agreement enacted in 2000. The Lower American River is a federally designated Wild and Scenic River running through a metropolitan area of over 2 million people that still supports one of the prime cold water fisheries in the State and is home to Chinook Salmon and threatened Central Valley Steelhead.

Policy Principles

- Support flow management standards that protect the ecosystem of the Lower American River, prevent low storage in Folsom Reservoir that would interfere with this region's water supplies, and improve flood safety.

- Promote legislative and regulatory initiatives supporting conjunctive use that will make more surface water available for the Lower American River in dry years.
- Support implementation of infrastructure projects that will improve temperature control and access to cold water at Folsom Reservoir.
- Promote regulatory practices and budget reforms that improve forest management and prioritize funding to support such practices. Ensure all beneficiaries fund the practices.

RWA Legislative Analysis Process

Process for Adopting Positions on Introduced Legislation

The Priority Issues and Policy Principles will be adopted by the RWA Board of Directors and serve as the Advocacy Platform, for which RWA works from in the legislative and regulatory arenas.

Each new legislative session, RWA staff and the contract lobbyist will screen newly introduced legislation using the adopted Advocacy Platform as a guide. Bills that are relative to RWA's platform or are otherwise considered noteworthy to RWA interests are presented to the Regulatory and Advocacy Program (RAP) committee for analysis and consideration.

Through this collaborative process, the RAP committee determines a recommended position on each bill and then assigns a priority (see the list of formal positions and priorities below). During this process, bills may be removed from further consideration and additional bills may be added to RWA's list based on input from the RAP committee or other factors. The committee's recommendations are taken to the RWA Executive Committee for further discussion and approval, consistent with RWA Policy 100.5.

Many of these initial positions and priorities will change as bills are amended throughout the course of the legislative process. The RAP committee will be routinely updated on the status of bills as they move through the legislative process and will decide upon changes in position and priority as the process dictates. In time sensitive situations, RWA staff may change a current position and/or priority with the approval of the RWA Executive Director and concurrence of general counsel. Such changes will be done using the adopted Priority and Policy Issues Platform as guidance. The RAP committee will be updated of changes as soon as possible and the Executive Committee will be asked to ratify such changes at its first meeting following the changes.

Formal Positions

Support - A bill that would benefit RWA or one or more RWA members (without detriment to others), and/or is generally good public policy

Support if Amended - A bill that could benefit RWA, or one or more RWA members, if amended. This position implies that RWA is ready to offer specific amendments.

Oppose - A bill detrimental to RWA or one or more RWA members.

Oppose Unless Amended - A bill that is detrimental to RWA or one or more RWA members, that could be amended to remove the detrimental provisions. This position implies that RWA is ready to offer specific amendments, and will move to a neutral position if accepted.

Watch - A bill of interest to RWA and its members that does not affect RWA directly, or for other reasons does not yet merit a position. May be a “spot” or “intent” bill that does not yet have meaningful language.

Neutral - Generally a bill from which we have removed an Oppose or Oppose Unless Amended position due to amendments or other factors.

Bill Priorities

High Priority - A bill of major significance with direct impact to RWA or a number of RWA members. RWA has a formal position and is actively lobbying, writing letters, offering amendments, testifying in committee, and taking other direct actions as necessary. “Watch” bills can be considered high priority, especially early in the legislative process, depending on the topic, the author, or other factors that warrant heightened monitoring.

Medium Priority - A bill of interest but not anticipated to have major significance to RWA or more than a few of its members. RWA has a formal position but is not actively lobbying legislators. RWA and/or RWA members may submit letters, provide testimony or take other actions as part of other groups or coalition or, in some situations, directly. Individual RWA members may be more active depending on the topic of the bill.

Low Priority - A bill in an area of interest to RWA, but with little potential impact. RWA will only have a Watch position on such bills. No immediate action is planned but these bills will be monitored to assure they don’t evolve into a high priority status. Individual RWA members may be more active depending on the nature of the bill.

The California Legislative Process Calendar

Below is a general guideline to the legislative calendar. Both the Senate and Assembly develop (coordinated) calendars each year and those calendars should be referenced for specifics.

January – February

- Bills are introduced in their houses of origin. All introduced bills must be drafted in Legislative Counsel form by the Legislative Counsel’s Office. Legislative Counsel’s deadline for submission is three weeks prior to the bill introduction deadline.
- Deadline for introducing bills to be heard that year is the end of the third week of February.
- Bill is given a “first reading” in its house of origin, and must be in print for 30 days before they can be acted on.
- In even numbered years bills still in their house of origin must pass through that house by the end of January.

March – April

- Bills are heard in their respective policy committees.
 - Bills with a fiscal impact must be out by the beginning of May.
 - Bills without fiscal impact must be out by late May.

May

- Fiscal committees in house of origin hear bills
- Bills go to the “floor” for vote by full house by last week of May.

June – August

- Process is repeated in the other house.
 - June through early July in policy committees
 - Recess for most of July
 - Mid-August considered by fiscal committees.

August-September

- Floor sessions held in both houses.
- All bills must be out of the Legislature and to the Governor’s desk by August 31st in even numbered years and early September in odd numbered year.

Governor has 30 days from the end of session to take action on bills.

State Regulatory Agencies and Processes

State Water Resources Control Board

- Water Rights
- Water Conservation
- Drinking Water Program
- Grants
- Discharge Programs (through the Regional Water Quality Control Boards)

Department of Water Resources

- Sustainable Groundwater Management Act Regulations and Implementation
- Water Efficiency
- State Water Project
- Grants - IRWM