February 6, 2020

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Wade Crowfoot
Secretary for Natural Resources
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Karen Ross
Secretary for California Department
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Dear Secretaries Blumenfeld, Crowfoot, and Ross:

The Metropolitan Water District of Southern California (Metropolitan) appreciates this opportunity to provide input on Governor Gavin Newsom’s draft Water Resilience Portfolio. The draft document represents a comprehensive roadmap for the administration to make progress on numerous fronts at a statewide level while providing constructive direction and potentially new financial tools for progress at a regional and local level. At the dawn of this new decade, we applaud the administration’s foresight in making resiliency the watchword for sound water management, encompassing not only California’s considerable physical infrastructure but its unique and diverse natural and institutional systems as well. Metropolitan welcomes the spirit of collaboration and empowerment that is clearly expressed throughout the document, and we value the openness and receptivity the administration has demonstrated during this process.

In light of the portfolio’s breadth and scope, we are respectful of the acknowledgement stated within that “…given limited resources, not all actions can be implemented with equal priority…” Accordingly, we focus our comments on highlighting priorities for your consideration.
Metropolitan’s initial comments in crafting this draft portfolio centered on three broad priorities. We revisit those immediately below as well as provide feedback on a few other areas.

- **Advancing Potable Reuse** – We support the goal in the draft portfolio for California to recycle and reuse 2.5 million acre-feet of water per year within a decade. While this is likely an aspirational goal, it sends a strong signal of support for this important resource. As you know, Metropolitan is exploring the construction of the state’s largest water recycling facility in a partnership with the Sanitation Districts of Los Angeles County. With Action Item 4.2, we encourage you to consider establishing interim milestones to ensure the completion by 2023 of raw water augmentation and drinking water augmentation regulations as required by Assembly Bill 574 of 2017.

- **A Resiliency Strategy for the Delta** – Modernizing the Delta’s water delivery systems for sea level rise and more variable weather must be an anchor of any successful water resilience portfolio, and we appreciate the efforts by the Newsom Administration to advance a balanced and comprehensive portfolio of water actions that includes Delta conveyance. The single-tunnel project described in the recently-issued Notice of Preparation can support a sustainable and resilient water supply for the state, while protecting the Delta’s ecosystem. To better help and protect the economic and ecological vitality of the Delta, we encourage you to articulate the next steps after the Delta Stewardship Council, in conjunction with the State, has completed a climate change vulnerability assessment.

- **A Vision for Inter-Governmental Collaboration** – Metropolitan applauds how this draft identifies the roles of various state departments in achieving the objectives of the water resilience portfolio. It is also imperative for the State to maintain working, collaborative relationships with the federal government and with water agencies in order to have a successful outcome with the new state and federal permits for operation of the Central Valley Project (CVP) and State Water Project (SWP) and achieve lasting Voluntary Agreements for the Bay Delta Water Quality Control Plan process.

Additional priority areas for consideration:

- **Halting Aqueduct Subsidence** – The aqueduct systems for the CVP and SWP face clear and present threats from subsidence in the San Joaquin Valley. The California Aqueduct’s resiliency is undermined by the deterioration of conveyance facilities, loss of freeboard, reduced ability to shift power loads, and depletion of groundwater levels along portions of its route. We recognize that the State has dual and complementary roles as both a water supplier to protect its own infrastructure systems from subsidence and as an administrator to identify solutions through Sustainable Groundwater Management.
Act (SGMA) processes. Metropolitan urges you to act expediently and not defer to the SGMA timeline before identifying concrete next steps with all stakeholders to expedite solutions. These solutions would build upon the Department of Water Resources (DWR)’s recent study, *California Aqueduct Subsidence Study: Supplemental Report (March 2019)*.

- **Maintaining and Diversifying Water Supplies for Resiliency** – We strongly support the State’s encouragement of “regional supply diversification that achieves multiple benefits” and for “better water use efficiency and eliminating water waste” (p. 17). The document describes various water management options that contribute to adequate supply, such as groundwater, recycled water, captured runoff, and desalination of seawater and brackish groundwater. Metropolitan’s Integrated Water Resources Plan (IRP) provides the roadmap for Metropolitan and its 26 member agencies to improve regional resiliency and reliability. We have invested in developing local supplies and improving water use efficiencies over the past 25 years. We recognize that the dual efforts of developing local supplies and improving water use efficiency are essential for attaining regional resiliency. It would be helpful to amplify that true resilience is not achievable through conservation alone and that there are demand-hardening aspects to increasing water efficiency. Some mention to this effect is appropriate when defining what is meant by the State for a balanced and diverse water supply portfolio in the context of resiliency.

- **Allowing Regions to Plan and Adapt** – Resilient water management is both adaptive and unique to local and regional circumstances. To this end, we urge the State to continue avoiding the unintended consequences from overly prescriptive actions and to stay true to the draft statements that “effective water management and preparing for the future are best achieved at a regional scale” (p. 16) and “state government must focus on enabling regional resilience while continuing to set statewide standards…” (p. 17). One example of an appropriately flexible approach is to continue to entrust drought planning to regions and water agencies, which is already being addressed through compliance with Senate Bill 606 and Assembly Bill 1668 (2018) and development of agency-specific Water Shortage Contingency Plans and annual water shortage assessment reports.

- **Collaborating with Stakeholders on Reporting Regional Self-Reliance Improvements** – Metropolitan and its member agencies have a long-standing and exemplary record of conservation, water use efficiency, coordinated regional planning, and diversifying local supplies to ensure the region has reliable, affordable supplies. Metropolitan also supported enactment of the Delta Reform Act in 2009, along with other
groundbreaking water legislation, and it continues to support the state’s coequal goals for the Delta of achieving more reliable water supplies and ecosystem restoration in a manner that protects and enhances the Delta as an evolving place. Metropolitan does not oppose new reporting requirements in urban water management plans that would assist in furthering state policy to improve regional self-reliance of regions that rely on water from the Delta watershed. We request that the administration collaborate with stakeholders to develop reporting requirements that are both workable in the context of each water supplier and the region, and consistent with the Delta Reform Act.

- **Aligning Costs with Benefits** – We support the State’s goals for resiliency for water systems in all regions and for clean and safe drinking water for all Californians, and we recognize the State’s dilemma in working out how to pay for the myriad efforts and improvements that are clearly needed. In general, Metropolitan urges the State to consider “beneficiaries pay” approaches where feasible when considering mechanisms for financing projects and programs. A prime example is the SWP, which has enabled Southern California to effectively manage its regional groundwater basins through replenishment by imported supplies paid for by its users.

In summary, we are pleased with the draft water resiliency portfolio’s themes for collaborative, no-one-size-fits-all approaches, sensible integration, learning and accountability, flexibility and adaptability, and addressing challenges and solutions, including climate change, at both statewide and regional levels. In those cases where we have identified specific areas in the document for further clarification, we note them in the table attached below.

Should you have any questions regarding our comments, please do not hesitate to contact Brad Coffey at bcoffey@mwdh2o.com. Thank you again for this opportunity, and we look forward to working with the State towards a resilient water future for all Californians.

Very truly yours,

Jeffrey Kightlinger
General Manager
Specific Comments:

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<tr>
<th>Draft Report Action Item</th>
<th>Comment</th>
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<td>2. Drive greater efficiency of water use in all sectors -AND- 4. Support local and regional agencies to recycle or reuse at least 2.5 million acre-feet a year in the next decade.</td>
<td>An action or statement is needed in support of resiliency with regard to existing non-potable recycled water production and distribution systems. These systems were planned and developed with substantial local investments for drought resilience benefits but have been increasingly constrained by changing efficiency standards; to in effect penalize such “sustainable, nearly drought-proof supply” (p. 17) is inconsistent with the State’s resiliency approach and should be addressed going forward. Although wasteful use of any resource should be avoided, policies should facilitate efficient and cost-effective use of recycled water.</td>
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<td>4.2: Complete raw water augmentation regulations and treated drinking water regulations, as required by AB 574 of 2017, to allow purified recycled water to be moved directly into distribution systems</td>
<td>To achieve the goal of 2.5 million acre-feet per year of recycled water, the State needs to establish milestones and interim deadlines to ensure completion by 2023. The new rules should be a top priority to enable California to lead the way in promising advanced water recycling technologies, which it is already well-poised to do. We recommend that the State consider incorporating more specific and measurable steps from the California WaterReuse Action Plan issued in July 2019. We also note that other Water Resiliency Portfolio actions, such as (1.1) to implement the Safe and Affordable Drinking Water Act of 2019, include more specific and measurable steps.</td>
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<td>18.3: Add a requirement to the water management plans which urban and agricultural suppliers submit to the state every five years that mandates districts that receive water from Delta-based projects to demonstrate how they are reducing reliance on those supplies.</td>
<td>We propose the following language for Water Portfolio Action 18.3: 18.3: Work with water suppliers to draft a feasible requirement that urban and agricultural water suppliers that receive water from the Delta watershed report on any past, ongoing or planned local or regional projects or programs that improve regional self-reliance in the water management.</td>
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Under current law, neither the Department of Water Resources (DWR) nor the Delta Stewardship Council (DSC) has the authority to issue any new requirements for information that must be included in urban or agricultural water management plans. It is unclear whether the intent of Action 18.3 is to issue guidance, or whether it is to have DWR and DSC draft bill language for potential legislation to amend the Urban Water Management Planning Act and the Agricultural Water Management Planning Act. Action 18.3 should be clarified in this regard. Metropolitan’s proposed language and comments assume it is aimed at DWR and DSC proposing bill language, and our comments focus on any new requirement for urban water management plans.

The following are considerations that should be considered for any new legislation:

1) Consistency with State policy

The focus of Water Portfolio Action 18.3 should be consistent with the state policy established in the 2009 Delta Reform Act to improve the “regional self-reliance” of each region that depends on water from the Delta watershed through investment in local or regional measures that conserve, stretch or diversify regional supplies. Each water supplier is in the best position to determine what approach or combination of measures is locally cost-effective and feasible.

2) Eligibility for State grant funding

Importantly, any proposed new reporting requirement for urban water management plans should not make eligibility for state grant funding or loans dependent on demonstrating improved regional self-reliance.
every five years. As the draft Water Resilience Portfolio recognizes, each water supplier is faced with its own unique opportunities and limitations. They should not lose access to badly needed state assistance or incentives that help improve regional self-reliance, meet health and human safety standards, and keep existing supplies reliable if they are unable to reduce reliance on water diverted from the Delta or the Delta watershed.

3) Reasonable baselines for assessing improved regional reliance

In addition, a reasonable baseline for assessing improved regional self-reliance would be 2010, the year the Delta Reform Act took effect. Action 18.3 should not result in a mandate that every water supplier continually reduce reliance every 5 years, a requirement that may be infeasible for some suppliers now or in the future, and which would be inconsistent with the coequal goal of reliable Delta water supplies. Instead, Action 18.3 should reflect the fact that the Delta Reform Act recognized that improved regional self-reliance is the means to achieve regional reduced reliance to meet California’s future water supply needs.

4) Collaboration with stakeholders

Finally, while we are confident that DWR and the DSC would not draft any proposed new water planning reporting requirement bill language without working closely with the water suppliers and other stakeholders that would be subject to it, Action 18.3 should instruct them to do so. Even assuming they consult with stakeholders, if legislation is introduced, Metropolitan would have to analyze the specific language to determine what position to take at that time.
We look forward to working with you on a revised Water Portfolio Action 18.3 that is consistent with the Delta Reform Act, the acknowledged variable and unique opportunities and limitations each water supplier faces, and the overarching goal of the Water Resilience Portfolio.

Page 113 of Appendix 3|Section 2, Regional Assessment states: “Under 2009 law, water districts that depend upon delivery of water drawn from the Delta must reduce their reliance on the Delta for those supplies.”

This text misrepresents the policy set forth in Section 85021 of the Water Code, which is the “2009 law” referenced. Metropolitan requests that the text be replaced with the statutory language, which reads:

The policy of the State of California is to reduce reliance on the Delta in meeting California’s future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts.

When drafting a final version of Water Policy Action 18.3, it is important to understand that section 85021 establishes a state policy with two complementary parts.

First, it sets as state policy the goal of reducing reliance on the Delta in meeting California’s “future” water supply needs “through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency.” (Emphasis added.)

Second, it establishes as state policy a complementary goal that “[e]ach region” of the state that “depends on water from the
Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts.” (Emphasis added.) Both aspects of the state policy focus on regions of the state, not individual water districts or water suppliers, with an emphasis on statewide investments and improved regional self-reliance for every region in the entire Delta watershed.

Assuming Water Portfolio Action 18.3 is intended to further the state policy in Water Code section 85021, it should apply to all regions that receive any water from the Delta watershed, not exclusively those that divert or receive water diverted from the Delta.

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<th>19.3: Continue studies of subsidence effects on water infrastructure and support strategies to minimize damage from ongoing subsidence, halt subsidence, and rehabilitate infrastructure.</th>
<th>Actions beyond studies are urgently needed to address subsidence along the SWP and CVP aqueduct systems. DWR should work with stakeholders to develop resilience strategies and identify concrete next steps to expedite solutions that would build upon the Department of Water Resources (DWR)’s recent study, California Aqueduct Subsidence Study: Supplemental Report (March 2019).</th>
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<td>19.4: Direct the Water Commission to assess a state role in financing regional conveyance projects that could help meet needs in a changing climate.</td>
<td>Consider providing additional description of what is meant by “regional conveyance projects” as well as facilitating finance through “beneficiary pays” approaches, as was successfully done with the State Water Project and subsequent improvements.</td>
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<td>19.5: Ensure effective long-term State Water Project management by completing risk-informed asset management plans for critical infrastructure.</td>
<td>Consider additional actions to bring attention to seismic resiliency. In particular, we recommend including a statement to support improved understanding of potential damage to the California Aqueduct following a major earthquake on the San Andreas Fault in Southern California and to develop specific seismic retrofit and response plans to minimize the duration of possible outages.</td>
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<td>26.2: Review state actions during the 2012-16 drought and use that response as the basis for planning water right inspections, emergency regulations, emergency staffing, improved forecasting, and other necessary responses for future droughts.</td>
<td>This action should be rewritten to clarify the State’s intent to learn and apply lessons from the recent drought emergency to better enable regions and water agencies to prepare for future droughts. As currently written, this action would appear to impose a top-down governance model with the previous state emergency actions as “the basis” for an array of top-down directives that are not found elsewhere in the Water Resilience Portfolio. Drought planning is already being addressed through compliance of “Making Water Conservation a California Way of Life” legislation (Senate Bill 606 and Assembly Bill 1668) and development of agency-specific Water Shortage Contingency Plans and annual water shortage assessment reports. Planning efforts and investments already underway may be undermined by moving targets.</td>
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<td>26.3: Support the development of a drought operations strategy for the State Water Project and Central Valley Project to meet Water Board-required flow and water quality criteria and respond to fish and wildlife needs during extended drought conditions lasting up to six years.</td>
<td>This is an opportunity to clarify the role of the State Water Resources Control Board during severe droughts in keeping balance among beneficial uses and allowing for temporary emergency relaxations in water rights permits when appropriate. With climate change, there may be situations when flexibility and adaptability will be needed for reservoirs and water projects unable to meet certain standards during an extreme event. Strategy should be consistent with the SWP/CVP Coordinated Operations Agreement. It is unclear why six years is indicated for a drought operations strategy; suggest providing context or consider alignment with the five-year drought planning currently prescribed for Urban Water Management Plans (California Water Code, §10631)</td>
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