Item No. 2

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

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Dear Secretaries Blumenfeld, Crowfoot, and Ross:

Water Resilience Portfolio Comment Letter

The Metropolitan Water District of Southern California (Metropolitan) thanks you for this opportunity to provide comments on Governor Newsom's Water Resilience Portfolio Initiative. Metropolitan appreciates the State's emphasis on integrated solutions to water resource management and the State's leadership and commitment to collaboratively and comprehensively address these challenges. California needs a bold and comprehensive portfolio approach to water management to ensure safe and dependable supplies, flood protection, and healthy waterways for California's diverse communities, agriculture, economy and environment.

Southern California, with the most variable precipitation in the nation, already feels the effects of our shifting rain patterns. As an example, rainfall so far this century has dropped well below the traditional average which reduces the yield of our groundwater basins, the single largest local

source of supply for the region. Less local rain impacts Southern California's ability to replenish the groundwater basins. Evolving climate science predicts warming precipitation patterns in the Sierra Nevada and reduced runoff in the Colorado River basin as temperatures rise earlier in the spring. Even recycling opportunities have diminished as strides in indoor conservation translate into less available wastewater. We are attempting to manage through these various risks and impacts with our own portfolio approach—Metropolitan's Integrated Water Resource Plan—that we will be updating in the coming year. By making the most of all of our various water resources, with an eye on environmental stewardship and societal needs, California can be poised to meet the challenges of climate change. A statewide Portfolio can help shape additional progress for years to come.

The attached tables identify specific roles that Metropolitan feels are best suited for implementation on the statewide, regional and local scales. Much of our feedback for statewide action falls into three top priorities:

- **Advancing Potable Reuse** – The Newsom Administration has a golden opportunity to make California a leader in bringing safe, purified water into the State's service rather than losing this valuable water supply to the Pacific Ocean. Direct Potable Reuse through raw water augmentation would present a new layer of resiliency to Southern California's diverse water needs. It may prove more feasible in some physical locations where indirect groundwater or surface water "barriers" are not readily available. It would create a new reliable supply and help our region manage risks within our portfolio in the event that a supply, such as local groundwater, diminishes due to some source of contamination, an experience we have had in the past and undoubtedly will again in our future. As you know, adding direct potable reuse to the California water portfolio will require the first-ever state raw water augmentation regulations by 2023 to identify the treatment processes, monitoring, and safety redundancies to ensure quality and safety. In Southern California alone, virtually all of the largest wastewater facilities now discharging to the ocean are being eyed as new water supplies. Metropolitan is exploring the possibility of raw water augmentation for part of a new recycled supply that would be developed in partnership with the Sanitation Districts of Los Angeles County. Now is the time for the administration to prioritize adopting these regulations by 2023.

- **A Resiliency Strategy for the Delta** – Any successful portfolio will have to be anchored by a suite of actions and initiatives to adapt the Sacramento-San Joaquin Delta and the Sierra watersheds to climate change. The emerging Voluntary Agreements represent a vital new approach to developing environmental water, habitat restoration, and collaborative science to assist both the Delta and its tributaries. Building upon the first

generation of California EcoRestore projects will advance much-needed restoration of floodplain and tidal wetland habitat on a large scale. The new "single tunnel" approach to Delta conveyance, which awaits project definition and initiation of the environmental review process, must bring sufficiently sized new intakes in the northern Delta to end sole reliance on intakes located on dead-end sloughs in the southern Delta that pose conflicts with migrating fish species and long-term water supply threats due to sea level rise and seismic events. There also must be an equally important emphasis on the future of the Delta itself, its historic communities, its agriculture, and the hundreds upon hundreds of miles of fragile levees protecting Delta islands. The Delta is an evolving place and it needs an overall risk management strategy to address more than just the ecosystem and water system needs. Only a comprehensive approach to the Delta can ensure progress on all fronts.

- **A Vision for Inter-Governmental Collaboration –** Progress simply can't happen in political isolation. The State will need cooperation and collaboration with many levels of government in the Delta, for example, to improve both the ecosystem and the water system. Further, Metropolitan and our Member Agencies undoubtedly will look to the State for financial and political support to advance new costly local supplies such as water recycling, groundwater recovery, and multi-benefit stormwater capture identified in local and regional water resource plans. And the State will not be able to incentivize progress on the ground toward a more resilient water portfolio without strong ties to every layer of government. The unique and vital role of the State makes state leadership such an important priority in the portfolio. The role is particularly important in the field of science, where some initial efforts at collaborative approaches to improving water management and our understanding of restoration benefits and fish behavior show tremendous promise.

  State leadership also means coordination within the State itself, among its many agencies and strong working relationships with entities such as the Department of Water Resources, the State Water Resources Control Board and the Delta Stewardship Council. We urge close coordination with the California Legislature and giving sufficient time for local agencies to implement existing water use efficiency measures such as Senate Bill 606/Assembly Bill 1668 and for the State to evaluate progress. Likewise, the State must collaborate with groundwater management agencies to nurture the Sustainable Groundwater Management Act (SGMA) while actively working to control the damaging effects of subsidence.

  Finally, the State's most vulnerable communities—both urban and rural—require that

> governments work together to efficiently improve access to safe water. After the landmark passage of SB 200, a grand challenge is upon us to vastly reduce the number of Californians who today cannot safely drink their tap water. As this important work begins, the State's implementation must conform to the purposes of SB 200 to ensure that the limited resources achieve the desired outcome of safe drinking water for all Californians. It is also important to ensure state agencies are aligned in helping these communities by ensuring that arbitrary regulatory constraints don't exacerbate the challenges of providing meaningful assistance programs.

The State possesses a strong body of water planning to build upon as it receives statewide stakeholder input. The California Department of Water Resources and its California Water Plan's array of 31 resource management strategies provide guidance to reduce water demand, improve operational efficiency, increase water supply, improve water quality, practice resource stewardship, improve flood management, and recognize the nexus between peoples and water. Just as the right mix of tools in any given kit depends on the job being accomplished, the California Water Plan acknowledges the right combination of strategies will vary from region to region depending on local circumstances and opportunities, and that there are certain tasks and roles better fulfilled at the statewide, regional and local scales.

Southern California has made its greatest strides in water when we are united within our region and have strong working relationships with the State, Northern California and our federal partners. The State's role in maintaining these working relationships is paramount. The new Portfolio can be a powerful uniting force that can benefit all regions of the State.

Should you have any questions regarding Metropolitan's recommendations, please do not hesitate to contact Brad Coffey at bcoffey@mwdh2o.com. Thank you again for this opportunity, and we look forward to working together with the State to help meet future water needs and ensure environmental and economic resilience for all Californians.

Very truly yours,

Jeffrey Kightlinger
General Manager

Attachment

Attachment

The following tables outline the specific roles and recommendations best suited for implementation at the statewide and regional and local scales by resource area.

Background on Metropolitan

Metropolitan is a consortium of 26 cities and water districts formed to provide wholesale water services to its member agencies. Those cities and water districts provide drinking water to 19 million people in six counties (San Diego, Orange, Riverside, Los Angeles, San Bernardino, and Ventura) in Southern California. Established by the State legislature in 1927, Metropolitan's mission is to provide its service area with adequate and reliable supplies of high quality water to meet current and future needs in an environmentally and economically responsible way. The largest of the State Water Project Contractors, Metropolitan imports water from Northern California and the Colorado River to supplement local supplies, while providing incentives to its members to develop increased water conservation, recycling, storage, and other resource management. Following droughts in the 1970s, 1980s, and 1990s, Metropolitan committed itself to diversifying Southern California's regional water portfolio beginning with its first Integrated Resources Water Plan (IRP) in 1996. Metropolitan and its member agencies have made significant investments in local supply, infrastructure, storage programs and partnerships, with over $1.4 billion in water conservation, recycling, and groundwater recovery resulting in more than 6.5 million acre-feet of water saved or produced locally. Apart from Metropolitan's regional involvement, Southern California's local agencies have made their own substantial efforts in developing their own local supplies, producing 335 thousand acre-feet annually in recycled water and recovered groundwater independently of Metropolitan's funding. Among other achievements, local Southern California agencies have built the world's largest water purification system for indirect potable reuse and the largest seawater desalination plant in the Western Hemisphere. This approach has paid off; Southern California managed with little economic disruption during the most recent drought thanks to these investments.

A Portfolio Approach to State, Regional and Local Roles

A successful California Water Resilience Portfolio will advance the different roles of state, regional and local water entities in a carefully coordinated manner. The following tabulated recommendations reflect the importance of maximizing the beneficial attributes of each level of water governance in the development of the State Portfolio.

Delta Watersheds and the State Water Project:

State Roles
Ensure enduring resiliency of the State Water Project. • Pursue a Delta conveyance project that provides water resource reliability, allows for flexible operations, reduces climate change and seismic risks, enhances the Delta ecosystem and limits impacts on Delta communities. Delta conveyance should be economically viable and provide sufficient capacity for the delivery of supplies to contractors who choose to participate. • Prioritize ongoing State Water Project maintenance to minimize operational impacts during extreme years, including the maintenance, repair and prevention of subsidence damage to the California Aqueduct and implement an asset management program. • Improve understanding of potential damage to the California Aqueduct following a major earthquake on the San Andreas Fault in Southern California. Develop specific seismic retrofit and response plans to minimize the duration of possible outages. • Continue to develop science, monitoring, and adaptive management processes to support more flexible State Water Project operations that respond better to changing conditions. • Study and plan for adaptation to a future with frequent extreme climate conditions. This should include the development of modeling and decision support tools that work on timescales that adequately reflect anticipated changes in the size and frequency of extreme precipitation events. • Establish a process allowing for faster development of reservoir operation and flood control strategies that provide for better coordination and efficiency in the context of climate change.
Invest in sustainable forest and headwater management to protect ecosystems and source water for environmental, agricultural, and urban water users, species, and communities that all rely upon healthy Sacramento River and San Joaquin River watersheds.
Pursue state agency alignments that help advance habitat restoration efforts in the Delta including EcoRestore, Delta smelt and salmon resiliency plans, and Voluntary Agreements. • Promote collaborative science through research and studies to protect endangered species, avoid listing of new species, and protect and enhance ecosystem habitat throughout the Delta.
Improve resilience of Delta communities and infrastructure. • Evaluate the potential need for regulatory adaptations in the context of climate change and sea-level rise. Water Quality Control Plan reviews should include a process that balances beneficial uses of water. • Evaluate potential land use changes, engineering and other solutions that help adapt to changing water quality, water supply, and flood risk conditions in the Delta due to climate change and sea-level rise. • Develop and incentivize adoption of feasible land use strategies that would enhance habitat, reverse subsidence, and sequester carbon in the Delta.
Coordinate among state agencies for SGMA implementation and identify synergies between the availability of surface water in wetter conditions and SGMA groundwater basin needs to improve local water supply reliability.

Regional and Local Roles
Participate in multi-benefit projects that help restore ecological functions in the Delta.
Participate in collaborative efforts to advance scientific understanding of key Delta species and their habitats.
Develop feasible land use strategies that would enhance habitat and reverse subsidence in the Delta.
Work closely with the Department of Water Resources to maintain current State Water Project infrastructure at a reasonable cost.
Utilize modeling tools that incorporate the anticipated impacts of climate change to better manage and plan for State Water Project supplies in the future.
Support decision-making based on best available science and adaptive management processes to help better inform management actions in the Delta.
Develop and utilize regional storage and resource programs to efficiently manage State Water Project supplies and reduce demands on the Delta during dry periods.
Maintain and implement planned local supplies and water use efficiency to reduce reliance on the Delta in meeting California's future water supply needs.
Educate the public regarding Delta conveyance, aging infrastructure, and challenges to the State Water Project due to climate change and other risks.
Work closely with groundwater banking partners to maintain delivery of high-quality water into the California Aqueduct.

Outdoor Water Use Efficiency:

State Roles
Improve local compliance and implementation of the Model Water Efficient Landscape Ordinance (MWELO). • Provide training assistance to local planning personnel responsible for enforcement. • Provide a statewide training and certification program for landscape design, construction and maintenance professionals. • Create and publicize a database of MWELO-certified providers.
Develop a statewide outreach campaign targeting outdoor conservation that focuses on the high proportion of water used outdoors, encourages residents to take advantage of local conservation programs and rebates, and highlights the benefits of climate appropriate low-water requiring California Native plants.
Conduct a statewide research project on the water efficiency of low-water requiring plants with case studies in multiple climate zones and update the Water Use Classification of Landscape Species (WUCOLS) database for plant classifications.
Mandate that retailers sell only U.S. Environmental Protection Agency WaterSense certified irrigation products.
Regional and Local Roles
Provide professional landscapers training on MWELO and California Friendly landscape maintenance.
Educate local planning staff to ensure implementation and enforcement of MWELO standards.
Support funding incentives to continue transforming outdoor spaces with drought-tolerant and lower water requiring landscapes. Work to improve end-user knowledge of and access to climate-appropriate, low-water requiring, and California Native plants in the marketplace.
Provide funding incentives for upgrades to qualifying water-efficient technology and devices and offer landscape water audits for large landscape customers.
Support conversion of large landscape irrigation from potable to non-potable recycled water use where feasible.
Support and incorporate research and innovation on outdoor water use efficiency improvements.
Provide financial and technical incentives to ensure that disadvantaged communities can also benefit from improved outdoor water use efficiency.

Recycling, Seawater Desalination, Groundwater and Stormwater:

State Roles
Establish Raw Water Augmentation regulations for Direct Potable Reuse. Provide sufficient resources to meet the current legislative deadline of developing raw water augmentation regulations by the end of 2023. Propose a legislative timeline for initial milestones to develop treated drinking water augmentation regulations.
Provide increased grant funding opportunities for research and development of technologies to advance resilient water supplies, such as seawater desalination intake and brine disposal methods required under the California Ocean Plan, new water treatment technologies for wastewater and impaired groundwater, and multi-benefit stormwater projects that provide groundwater recharge and water supply benefits.
Allow seawater desalination projects to continue development under the California Ocean Plan regulations adopted in 2015. In order to avoid moving regulatory targets, the State Water Resources Control Board, the California Coastal Commission, and State Lands Commission should implement a Memorandum of Understanding for coordinating permits for seawater desalination, consistent with the 2015 California Ocean Plan.
Facilitate partnerships between agencies developing seawater desalination projects and SGMA Groundwater Sustainability Agencies (GSA) that manage replenishment of overdrafted coastal aquifers.
Lessen unintended institutional barriers to raising revenue for developing new local water resources, such as the disproportionate burdens in quantifying direct water supply benefits for stormwater projects under Proposition 218 requirements.
As detailed in DWR's 2017 stakeholder perspectives report, the State should better align government policies, regulations, and programs to support Integrated Regional Water Management (IRWM) programs.
Ensure state efforts account for current water supply investments and avoid approaches that may lead to stranded assets or excessive redundancies.
Develop climate-beneficial land-use alternatives for land potentially removed from agricultural production as a result of SGMA.
Regional and Local Roles
Continue to provide financial incentives for local resources development and implementation of water use efficiency measures.
Collect and maintain accurate data on existing and planned local supplies to better communicate the full potential of the region's resource development.
Implement and maintain local supply projects in consideration of local and regional needs and economics. Evaluate opportunities for local supply improvements or connections with regional water system infrastructure to address the needs of disadvantaged communities.
Evaluate opportunities for regional agencies to assist local agencies who have been impacted by new groundwater quality regulations.

Regional and Local Roles (continued)
Support the development of large-scale recycling projects such as the potential Regional Recycled Water Program, which is a partnership between Metropolitan Water District and the Sanitation Districts of Los Angeles County. It should be noted that a number of other large-scale water recycling programs are also being proposed throughout the Southern California region.
Effectively manage local groundwater basins in a manner that provides for long-term, sustainable groundwater production.
Continue to work with regulatory agencies on the development of raw water augmentation regulations by bringing forward sound treatment process assessments made possible by an investment in the Regional Recycled Water Program's Advanced Purification Center.
Co-fund research that helps remove barriers to new local supply development and improve the reliability of existing supplies, including studies and pilot projects that seek to improve stormwater capture and groundwater recharge.
Encourage collaboration among cross-functional agencies to develop multi-benefit stormwater and recycled water projects.

Colorado River Basin:

State Roles
Make progress on Salton Sea restoration efforts in order to support the intrastate and interstate cooperation that will be needed to replace existing Interim Surplus Guidelines terminating in 2026.
Further engage in salinity control efforts in the Colorado River Basin, including filling all three California appointee slots on the Salinity Control Forum.
Encourage and facilitate interstate investment in projects that benefit all parties with reliable water supply (e.g. partnerships for seawater desalination or regional water recycling).
Regional and Local Roles
Continue to support Colorado River Drought Contingency Planning efforts.
Develop programs and partnerships with willing participants that provide additional flexibility and help maintain deliveries from the Colorado River Aqueduct.
Fund additional research into agricultural conservation practices, such as deficit irrigation and seasonal fallowing.

Overall:

State Roles
Ensure that new water quality standards and administrative actions such as notification/response levels for emerging contaminants are based on the best available science and consider the economic and health impacts of potential reductions in water supply. Ensure that reasonable solutions (such as point-of-use or point-of-entry treatment) are available for small communities.
Facilitate collaboration among local and regional entities using all-of-the-above, not one-size fits-all-approaches, such as through the Integrated Regional Water Management Program where the State has supported the formation of diverse voluntary regional coalitions throughout the State under a flexible framework without prescribing a specific governance structure.
Facilitate sharing of knowledge and technical advancements such as: • Invest in applied research and technology advancement for water resource supply augmentation, efficiency improvement, performance measurement, and data gathering. • Maintain data and information transparency related to all state programs consistent with AB 1755 ("The Open and Transparent Water Data Act"). • Establish regional water innovation hubs focused on the pressing needs in the regions. • Provide educational materials on the interrelationships of various types of natural and water resources, such as source water protection and drinking water quality.
Conduct an assessment of all portfolio elements on equal footing to accurately evaluate the development potential, barriers, vulnerabilities and synergies of each. Metropolitan's Integrated Water Resources Plan provides a model for assessing resilience at a regional level, thus reducing the State's burden of individually examining all urban water purveyors within the region.
Improve the technical, managerial, and financial capacity of small water systems and ensure that funding and policies support consolidations or formation of regional authorities to improve capacity.
Regional and Local Roles
Participate in coalitions to identify and build support for regional water resource priorities.
Invest in research and technologies that are transferrable and provide regional and potentially statewide benefits.
Develop a Climate Action Plan to mitigate greenhouse gas emissions for future capital projects. Participate in greenhouse gas reporting in the State's new Water-Energy Nexus Registry to demonstrate progress towards meeting climate goals.
Develop innovative management strategies to maximize the effectiveness and coordination of local and regional supplies.
Take leadership roles in promoting open and transparent water data and support state efforts to realize the benefits of open data.