

EMWD Legislative Policy Principles

Introduction

Eastern Municipal Water District (EMWD) has adopted a strategic objective to "Conduct a highly productive and effective federal, state and regional advocacy program to effectively influence policy, legislation, regulation and funding opportunities in a manner that responds to a shifting political landscape, benefits EMWD's customers and consistently demonstrates industry leadership." To achieve this objective, the Government Affairs team builds and maintains relationships with legislative and administrative leaders, their staff, and other opinion leaders, and involves all appropriate EMWD disciplines to formulate positions on legislative and policy issues.

A critical component to this endeavor is EMWD's Legislative Policy Principles (Principles) document. The Principles serve to guide the direction and actions undertaken in furtherance of the EMWD's federal, state, and regional government advocacy program. The Principles, which are developed by EMWD's Government Affairs team - with key input from professional staff and the Board of Directors - are consistent with EMWD's mission statement, values, and beliefs. Moreover, the Principles are carefully drafted to align with EMWD's strategic plan and other foundational documents.

The proposed Principles for EMWD are outlined below for the review, and adoption by the Board of Directors. Once adopted, the policy positions highlighted in the Principles document are pursued by EMWD's Government Affairs team through the full array of advocacy-related activities to positively influence EMWD's federal, state, and local governmental officials.

In regard to the format of this document, it first defines what are considered to be EMWD's "overarching" legislative principles and then focuses on the four identified high-level policy categories, which includes:

- 1. Water and Wastewater System Operation
- 2. External Funding and other Funding Streams
- 3. Local and Imported Water Supplies
- 4. Climate Change, Resiliency, and Regulatory Compliance

Each of these four category areas is guided by a broad "policy goal". Specific policy positions are then delineated, consistent with the stated policy goal.

Overarching Principles

The following four principles are overarching requests of the legislature and the administration that EMWD will actively pursue to preserve and protect effective and high-quality water service for our ratepayers, businesses, and communities we serve. The overarching principles represent the consistent messaging and requests that will be integrated into all areas of EMWD's policy requests, and they include the following:

- Preserve and protect local control and recognize and respect regional differences and diversity; allow for flexibility in approaches to water portfolio management
- Deploy strategies that address impacts from climate change and promote water resilience, public health, and ensure that all efforts to address climate change impacts are grounded in science and advanced through a transparent and collaborative manner.
- Pursue funding to address mandates, technology innovations, and offset costs for development of projects to further diversify and improve the resilience of EMWD's water supply portfolio; and
- Encourage and actively pursue integration and deployment of tested and reliable technologies to streamline, support, and protect EMWD operations.

Water and Wastewater System Operation

<u>Policy Goal</u>: Ensure the safe and reliable delivery of water, wastewater, and recycled water service in an effective, transparent, and affordable manner, while also preserving the ability of water service providers to attract and retain a high quality, inclusive, and reliable workforce.

Governance

- Support system consolidations and regionalization, where appropriate, for the delivery of safe and reliable drinking water, when accomplished through a public and transparent process.
- Support the utilization of allocation based tiered rates to effectively advance the State's dual priorities of conservation and the affordability of water service.
- Support consensus-based reforms to Cortese-Knox-Hertzberg that ensures thorough communication with affected entities, and results in the effective and reliable deployment of public services.
- Support the consideration of narrow reforms to Proposition 218, preserving responsible rate-setting functions, while enabling water providers to establish a local incomequalified water rate assistance program when non-ratepayer revenues are not available or sufficient.
- Support and inform the implementation of SB 200 (Monning, 2019) and advancement of the overarching Safe and Affordable Funding for Equity and Resilience (SAFER) program to ensure:
 - o Adherence to the principles established in these historic efforts:
 - Promote effective deployment of technical, managerial, and financial protocols;
 and
 - Further safeguard the limited resources available to achieve the stated mission of delivering safe and reliable drinking water for all Californian
- Communicate concern and propose strategies for the reconciliation of mandates and administrative actions that signal conflicting state policies or priorities.
- Oppose efforts that could result in the inability of water service providers to charge customers the full cost of service, apply connection fees, establish standby charges or remove the ability to pursue overdue balances through the property tax collection process.
- Oppose efforts to mis-characterize reserve funds as "cash on hand" for the purpose of prescribing the use of reserves or mandating a shift of these critical resources.

Administration

- Support, and participate in the development of pathways for young people with diverse backgrounds to enter water and wastewater service careers to support public agencies.
- Work with the legislature and regulators to ensure that policy changes or regulatory requirements related to employer responsibilities are clearly defined to avoid situations that may jeopardize EMWD operations and leave public agencies vulnerable to legal challenge.

- Preserve the ability of public agencies to pursue locally negotiated strategies to address employee benefits, hiring, and termination policies and agreements.
- Express concern and opposition when transparency measures jeopardize critical infrastructure, result in the disclosure of ratepayer personal data, or result in unnecessary costs to public agencies.

Technology and Security

- Support efforts that would advance EMWD's Geographic Information System Master Plan which is geared towards supporting operations and provides real-time field data.
- Support efforts that would provide funding for enhanced physical security and cybersecurity for water infrastructure
- Oppose efforts that would jeopardize water and wastewater plant security or expose sensitive infrastructure.
- Oppose actions that would require a water service provider to store, secure, communicate, or track data that is not germane to core EMWD functions.
- Oppose mandates or regulations that would require water systems to adopt specific or inflexible security measures, particularly in the area of cybersecurity.
- Advocate that new or expanded state or federal security requirements should be accompanied by funding assistance that helps utilities update threat assessments or implement other physical security enhancements.

External Funding and Other Funding Streams

<u>Policy Goal:</u> Preserve the responsible and transparent use and development of general obligation bonds, revenue bonds, congressionally directed spending (earmarks), formation of community service districts, and other reliable funding streams as effective tools to advance projects, programs, and necessary infrastructure geared towards the sustainable delivery of public services.

- Advocate for the distribution of general obligation bond funding in a geographically
 equitable manner to ensure that traditionally underfunded regions have an opportunity
 to access these resources.
- Support application of the "beneficiary pays" principle to those capital improvements and infrastructure projects that provide a direct and measurable benefit to ratepayers.
- Support the continued and effective deployment of State Revolving Funds (SRF), including
 policies that would allow for beneficial projects to be listed on the SRF Intended Use Plans
 (IUP) and the issuance of principal forgiveness loans that provide valuable resources to
 advance critical infrastructure.
- Support the use of general obligation bonds that provide broad public benefit, fund projects in disadvantaged communities, and ensure an equitable division of grant and loan opportunities.
- Support the development of general obligation bonds or other funding streams that provide flexibility to local entities to leverage funds with other state, federal, or local

resources.

- Support the continued funding of federal and state grant programs and congressionally directed spending to advance water infrastructure and supply projects, including water recycling, reuse, conservation, and desalination initiatives.
- Support "polluter pays" principle and source control efforts so EMWD customers are not responsible for funding clean-up efforts for pollution caused by outside parties.
- Oppose policies and efforts that could jeopardize EMWD's bond rating and standing in the municipal bond market.

Local and Imported Water Supplies

<u>Policy Goal:</u> Provide a safe, reliable, and cost-effective water supply that is sustainable and achieves an optimum balance of water resources including imported water, surface water, groundwater, wastewater treatment, reuse and resource recovery.

Imported Water Supplies

- Support a comprehensive strategy in the Sacramento-San Joaquin Delta (Delta) that includes investment in Delta Conveyance and ecosystem restoration.
- Support efforts to effectively address subsidence of critical California water conveyance systems.
- Support the development of voluntary agreements as a means to improve habitat and flows in the Delta.
- Support implementation of the 2020 Water Resilience Portfolio and the 2022 California Water Supply Strategy, in a manner that recognizes the need to advance regionally appropriate solutions, while also carefully balancing the need for reliable imported water supplies.
- Support continued collaboration in the Colorado River Basin, including investments in science, salinity management and demand reduction.
- Support the construction of off-stream surface and groundwater storage projects, such as Sites Reservoir.
- Oppose federal investments in one time demand reductions that could create a dynamic of "drought profiteering" with little to no long-term supply benefit.

Groundwater Storage and Management

- Support reliable communication, timely plan review, and technical assistance to groundwater sustainability agencies as they seek to advance Sustainable Groundwater Management Act (SGMA) goals.
- Support flexibility for Sustainable Groundwater Agencies as they seek to pursue monitoring and project implementation, hold groundwater pumpers accountable, and determine involvement with other government agencies, including counties that have a key role in well permit approvals.
- Support and pursue opportunities for local integrated groundwater management and provide flexibility for local water managers to seek interregional and watershed scale planning efforts.

 Support regulations and permit streamlining to help EMWD advance its Purified Water Replenishment program and other innovative reuse and groundwater recharge programs.

Brackish Groundwater Desalination

- Seek opportunities to advance partnerships with universities, state and federal agencies, private business, and other institutions for the development of improved desalination and brine disposal and concentration technologies, and support innovations to address groundwater impairments.
- Support opportunities to promote EMWD's successful brackish desalination program, as well as acknowledge brackish desalination efforts in general, as it will continue to play a major role in meeting California's future water needs.
- Oppose efforts that would reduce or eliminate the ability to utilize the Santa Ana River Interceptor (SARI) (brine line) due to mandatory reductions in ocean water discharge.

Wastewater

- Support efforts to inform the public on proper disposal of materials including nonwoven disposable wipes, fats, oils, and grease to protect and support reliable sewer-system operation.
- Promote the collection of stormwater data and monitoring techniques to quantify actual
 costs, feasibility, and water resource benefits prior to advancing stormwater capture
 directives and preserve the flexibility of wastewater treatment plant operators to make
 these investments.
- Prioritize septic-to-sewer conversion opportunities and continue to bring awareness to the needs and impacts that exist in some of the communities within the EMWD service area.
- Support cost effective management of biosolids and oppose regulatory hurdles that unnecessarily restrict the transportation or land application of biosolids.
- Oppose efforts to designate PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) that do not fully shield water and wastewater agencies-from liability exposure.

Recycled Water

- Support recycled water use goals that expand its use as a sustainable and efficient water supply.
- Support the use of recycled water for recreational or other beneficial uses, such as agriculture, in a manner that protects public health and safety.
- Support salinity management opportunities as a strategy to improve the sustainability and reliability of recycled water resources.
- Support the completion of research that is consistent with the California Water Reuse Action Plan to complete the following:
 - Measurement and removal of contaminants at increasingly lower regulated levels;
 - Revising regulatory requirements and their application to recycled water end users;
 - Prepare and respond to climate change impacts including flood and drought;

- Examine the effectiveness of alternative treatment trains; and
- Advancing new and increased uses of recycled water.
- Support efforts to promote and incentivize the expanded application of potable reuse projects.
- Support recycled water use for recharge in groundwater basins while ensuring water quality that protects public health.
- Require consultation and communication with public agencies that operate a centralized recycled water system when seeking to expand use of graywater or onsite recycled water systems.
- Oppose efforts advancing or mandating the application of graywater or onsite recycled water systems in areas that have invested in a dedicated centralized recycled water system, or where such decentralized systems will jeopardize current or future investments in centralized recycled water systems.
- Oppose efforts that would restrict or eliminate the ability of water or recycled water system operators to mandate the use and regular testing of backflow prevention devices.

Water Quality and Public Health Measures

 Support the development and implementation of science based drinking water standards that provide health benefits to the public in a technically feasible and economically balanced manner

Water Conservation and Integrated Water Management Planning

- Support measures at the state and federal level to make water conservation rebates exempt from being considered taxable income.
- Support state and federal programs, such as Reclamation's WaterSMART, which promote water conservation activities undertaken by water providers in the West.
- Support coordination with local planning and land-use agencies to require water efficient landscaping in new development.
- Ensure that all conservation mandates consider secondary impacts to aggressive indoor water use efficiency standards on potable reuse and wastewater operations.
- Oppose mandated conservation measures that circumvent a local water providers conservation objectives and solutions.

Climate Change, Resiliency, and Regulatory Compliance

<u>Policy Goal:</u> Deploy effective strategies to address climate change impacts and ensure water resilience, while recognizing the unique characteristics and challenges of each region. Further ensure that all efforts to mitigate impacts from climate change, water quality, and other regulatory mandates are grounded in science and advanced through a transparent and collaborative manner.

Climate Change and Greenhouse Gas Emissions Reduction

• Support large-scale water infrastructure improvements that will make California more

- resilient to increasingly extreme weather cycles.
- Support collaboration and communication between state and federal agencies to create opportunities for partnerships.
- Support voluntary water transfers as a means to address water supply resiliency and reduce the impacts of drought.
- Support the pursuit of voluntary methods to address and advance biodiversity, conservation, and preservation related efforts related to advancing 30 x 2030 strategies.
- Support cost-effective solutions to address state and local air quality measures and reduce greenhouse gas emissions.
- Support coordinated emergency response mechanisms to reduce vulnerability to wildfire, flood, drought, and other climate change-related events.

Environmental and Regulatory Compliance

- Support the continued availability of exemptions from air quality regulators as public agencies pursue conversion of fleet vehicles to alternative fuel and zero-emission vehicles, recognizing that some technologies are not readily available or may be costprohibitive.
- Support cooperative efforts between public agencies and regulators as they develop state and federal policies and regulatory requirements to address:
 - Air quality mandates;
 - Thresholds for criteria and toxic pollution reporting;
 - o Constituents of emerging concern and other water quality issues;
 - Costly and time-consuming data requests; and
 - Mandatory electrification requirements.
- Support efforts to advance a "polluter pays" or source control principle to hold polluters accountable.
- Support control methods for the mitigation and elimination of invasive species.
- Support Public Safety Power Shutoff (PSPS) policies that would narrow the scope and duration of PSPS events and encourage more timely notification procedures.
- Support reforms to inverse condemnation laws to allow for those utilities that are negligent in their duties to still be held accountable.
- Support reasonable reforms to the California Environmental Quality Assessment (CEQA) and National Environmental Policy Act (NEPA) that would establish process reliability and reduce unnecessary or unfounded legal challenges.
- Support federal legislation to extend the maximum term for National Pollutant Discharge Elimination System (NPDES) permits under the Clean Water Act to better reflect the construction schedules for wastewater agencies.

Energy and Renewable Energy

- Support funding opportunities for investment in back-up energy storage, and other infrastructure needs to prepare public agencies to address PSPS events, prepare for broader deployment of zero-emission fleet vehicles, and support efforts to manage energy use.
- Support an "all-of-the-above" approach as a tool to reduce energy reliance and advance

- a broader renewable energy portfolio.
- Support broader acknowledgement and investment in cogeneration at wastewater treatment plants as a reliable renewable fuel source.
- Support efforts to promote biosolids as an alternative, renewable fuel source and promote the use of innovate products derived from biosolids.