



Sacramento Legislative Office

May 13, 2021

The Honorable Lorena Gonzalez
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: AB 1500 (Garcia, E.): Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 – **SUPPORT and SEEK AMENDMENTS**

Assembly Appropriations Committee

Dear Assembly Member Gonzalez:

On behalf of the Metropolitan Water District of Southern California (Metropolitan), I wish to express our support for AB 1500 provided that it is amended to include funding to strengthen regional water resilience, repair critical conveyance infrastructure, improve water quality and maintain funding for essential freshwater habitat restoration activities. As a regional water wholesaler, Metropolitan delivers water to 26 member agencies (including 14 cities, 11 municipal water districts, and one county water authority) which in turn, directly or through their sub-agencies, provide water to approximately 19 million people in Southern California.

Faced with the impacts of climate change, new regulatory requirements and a commitment to advance sustainability initiatives, Metropolitan and its member agencies are making significant investments to ensure a more reliable water supply for our region including developing new local water supply projects.

Southern California continues a history of water planning focused on diversifying the region's water supply portfolio. While past investments in storage provide assurances that our region will withstand the next drought, we must continue planning for a drier, hotter climate. Snowpack in the Rockies has declined 10 to 15 percent, and future droughts and warmer temperatures will affect Colorado River supplies on which our region depends. Northern California will experience bigger but less frequent storms, and we need to adapt and update the State Water Project to be ready for this. And, early investment in restoration of our freshwater ecosystems and forests that are particularly vulnerable to drought, record temperatures, and wildfire is essential.

Assembly Bill 1500 would create the funding to help combat these threats, but we respectfully request the legislation incorporate additional funding for the following priorities that are essential and would help Southern California maintain and diversify its water supplies:

- **\$1.5 billion for grants to advance recycled water for potable reuse.** Metropolitan requests stand-alone funding for the planning, design, permitting and construction of recycled water projects, with a focus on potable reuse. The Newsom Administration's Water

Resilience Portfolio set an aspirational goal to recycle and reuse 2.5 million acre-feet of wastewater per year within the decade. The most recent state volumetric reporting indicated California recycled 700,000 acre-feet of wastewater in 2019 which is less than a third of the state's goal. While potable reuse projects will be essential to meeting the state's future goals, these projects are expensive and take significant time to develop. Dedicated state funding that can supplement local investments and leverage federal funding will help advance these projects, and importantly strengthen future water security in Southern California for the next century.

Recycled water is a drought-proof source of water that is readily available come rain or shine, because it uses the region's largest untapped source of water—wastewater. Metropolitan's region is developing numerous potable reuse projects that, when combined, could significantly reduce the region's reliance on imported water. In partnership with the Sanitation Districts of Los Angeles County, Metropolitan is conducting the environmental planning for the Regional Recycled Water Program. At full scale, this program could produce up to 150 million gallons daily, enough to serve 500,000 homes. Similarly, major programs are also being pursued by the City of Los Angeles and the City of San Diego. These projects, and many others in our service area, represent excellent opportunities to diversify our supplies and increase the resilience of the region. However, state funding assistance will be necessary to improve the economic feasibility of these initiatives.

Attached for your consideration are a set of suggested amendments to Sec. 80551 that establishes the funding for recycled water projects. Metropolitan supports these amendments prepared by California WasteReuse and California Coastkeeper Alliance.

- **Funding to repair the carrying capacity of critical state and federal water conveyance facilities impacted by subsidence.**

The conveyance systems for the State Water Project (SWP) and Central Valley Project (CVP) face clear and present threats from land subsidence in the San Joaquin Valley. Adequate funding should be set aside in the bond to expedite projects to restore the critical conveyance facilities. A Department of Water Resources (DWR) recent study, *California Aqueduct Subsidence Study: Supplemental Report (March 2019)*, found that parts of the California Aqueduct managed by DWR are experiencing up to 60 percent loss in design flow capacity due to subsidence. Construction has begun on some of the conveyance facilities to restore their capacity, but the total cost to repair subsidence impacts on the SWP and CVP is estimated to be \$2.5 billion.

Metropolitan is part of a broad coalition of SWP and CVP contractors that is seeking \$785 million in state funding to help defray the cost of subsidence repairs. There is also a federal bill pending to appropriate \$800 million towards the cost of repairs. State funding for subsidence repairs could help leverage future federal funds and would be matched by local contributions.

DWR has dual roles to protect the State Water Project from subsidence and to identify solutions to existing and future subsidence through the Sustainable Groundwater Management Act (SGMA). In addition to additional funding for subsidence, Metropolitan recommends that DWR act expediently and not defer the SGMA timelines before identifying concrete next steps with all stakeholders to find solutions to reduce the impacts of subsidence on our water supplies.

- **Set aside new funding for monitoring and treatment of Per- and Polyfluoroalkyl (PFAS) compounds.**

PFAS are a family of chemicals used widely in nonstick cookware, fast food packaging, stain and water repellent fabrics, and firefighting foam because they resist heat, oils, stains and water. Although there are thousands of types of PFAS, Perfluorooctanoic acid (PFOA) and

Perfluorooctane sulfonate (PFOS), are the PFAS of greatest concern for their impacts to public health. The State Water Resources Control Board's current Notification and Response Levels for PFOA and PFOS and the passage of AB 756 (C. Garcia, 2019) have resulted in several water systems in Southern California having to shut down affected groundwater wells. New state funding in the form of grants and low-interest loans would help public water systems, many of which serve disadvantaged communities, monitor for these contaminants and invest in new treatment technologies.

- **Include funding for monitoring, research and treatment of regulated and unregulated constituents of emerging concern as eligible for regional and inter-regional funding to build resilience to climate change.**

The impacts of climate change on water quality is a growing concern. For example, cyanobacterial blooms that produce naturally occurring but harmful cyanotoxins have increased due in part to drought and increased nutrient runoff into water supplies. New state funding is needed to monitor, research, and control or treat new constituents of emerging concern that include microorganisms such as cyanotoxins as well as unregulated chemicals that can be detected in trace amounts in drinking water sources.

- **Maintain \$800 million for protecting fish and wildlife from climate risks.**

Metropolitan supports funding to restore and reconnect habitats in ways that will strengthen the resiliency of native fish populations and wildlife to changing climate conditions and rising temperatures. Early action is needed to invest in restoration projects for salmon and other native species in the Delta and its tributaries, including floodplain, tidal and side-channel habitats and improvements to spawning grounds.

Metropolitan looks forward to working with the Legislature and stakeholders to shape a bond that includes support for the diversification of climate resilient regional water supplies that position California water supply and infrastructure to meet tomorrow's challenges.

Thank you for the opportunity to share our priorities for AB 1500. If you should have any questions or need additional information, please do not hesitate to contact me or Kathy Viatella at kviatella@mwdh2o.com or (619) 517-5823.

Sincerely,



Jeffrey Kightlinger
General Manager

Attachment

cc: Assembly Member Eduardo Garcia
Members of the Assembly Appropriations Committee
Jennifer Galehouse, Deputy Chief Consultant, Assembly Appropriations Committee
Joe Shinstock, Consultant, Assembly Republican Caucus

DRAFT March 24, 2021 (5 PM) – Proposed AB 1500 Water Recycling Language

80551. (a) Of the funds made available by Section 80540, ~~three hundred million dollars (\$300 million)~~ \$1.5 billion dollars (\$1,500,000,000) shall be available, upon appropriation by the Legislature, to the water board for grants ~~or loans~~ for water recycling projects, including all of the following:

- (1) Treatment, storage, conveyance, and distribution facilities for potable and nonpotable water recycling projects.
- (2) Dedicated distribution infrastructure to serve residential, commercial, agricultural, and industrial end-user retrofit projects to allow use of recycled water.
- (3) Multibenefit recycled water projects that improve water quality and water supply reliability.
- (4) Research for recycled water.
- (5) Pilot projects.
- (6) Planning for recycled water projects.
- (7) Technical assistance and grant writing assistance for disadvantaged communities.

(b) At least a 50-percent local cost share shall be required for projects funded pursuant to this section. ~~Loans obtained from the California Clean Water State Revolving Fund may be used as local cost share.~~ That cost share may be suspended or reduced for disadvantaged communities ~~and~~, severely disadvantaged communities, and economically distressed areas.

(c) In allocating funding pursuant to this section, the water board shall prioritize all of the following, without regard to order. Projects meeting multiple criteria would be preferred:

- (1) Cost effectiveness.
- (2) Projects that serve a larger regional population.
- (3) Projects that include one or more partnerships between a municipality, a regional sanitation district, or a regional water distribution agency.
- (4) Projects that reduce the discharge of wastewater to the ocean and enclosed bays, while protecting water quality. and avoid or minimize adverse impacts to ocean resources.
- (5) Projects that improve regional water supply reliability and reduce reliance on water imports. ~~from the San Francisco Bay Delta and the Colorado River.~~
- (6) Projects that increase groundwater replenishment or reduce groundwater extraction where groundwater supplies are in a state of overdraft.
- (7) Projects that advance innovation in recycled water technology.
- (8) Projects that use energy efficiently and minimize greenhouse gas emissions. ~~avoid using excessive amounts of energy in relation to the amount of water supplied, and result in fewer greenhouse gas emissions as compared to competing technologies.~~

(d) The water board shall consider providing a reasonable geographic allocation of funding under this section to eligible projects throughout the state, including both northern and southern California.

(e) Not more than 1 percent of the funds in this section shall be used for water recycling research.