

*Excerpts from EBMUD's approved 2021 Federal Initiatives
for transmittal to Upper Mokelumne River Watershed Authority
at the request of Director Coleman*

INITIATIVE #1: CLIMATE CHANGE

Congressional attention to the issue of climate change will be heightened under President-Elect Biden's administration after years of extreme weather events that range from droughts to floods to megafires. While the breadth and scope of climate change discussions remain to be seen, topics relevant to EBMUD such as water supply reliability, fisheries, infrastructure, forest and watershed health, energy, and workforce transition and development looked at through the lens of climate change are likely.

Climate change has the potential to affect every aspect of EMBUD's work including water supply, water quality, ecosystem health, infrastructure resiliency, finances, customers and employees. To address these impacts, EBMUD is preparing for more frequent and severe droughts and wet weather events, reduced snowpack, warmer weather, longer wildfire seasons, increased water demand, and rising groundwater and sea levels. On the mitigation front, EBMUD is investing in renewable energy production, using alternative fuel vehicles, and setting aggressive goals for GHG reductions. EBMUD has also incorporated adaptation strategies into plans and operations for water supply, water quality, environmental protection, long-term infrastructure investment and financial stability, and workforce planning and resilience.

In prior years, climate change has not been included as a separate EBMUD initiative, although the issue was captured through other relevant initiatives. To better align with the incoming administration's focus on climate change as a top priority, a stand-alone initiative on climate change is recommended for 2021, with specific concentration on the areas of forest health and wildfire prevention, efforts to mitigate and adapt to climate change, and workforce development and transition.

Wildfire Prevention and Forest and Watershed Health

Given the destructive wildfire season in 2020, Congress will likely address this issue within any climate resiliency initiative focusing upon forest and watershed health. While federal efforts on forest and watershed health in recent years largely focused on congressional attempts to fund both forest management and wildfire suppression, in 2020 Congress failed to find common ground on how to address forest health and fire suppression needs. Additional funding for forest management and policy changes regarding forest management activities may affect forested areas near EBMUD's facilities and in the Mokelumne River watershed.

The 2020 fire season marked the first year that the U.S. Forest Service was able to access federal disaster funding for wildfire suppression activities. Commonly referred to as the wildfire-funding fix, this allows additional non-fire resources to address the mitigation of wildfire threats. Legislative efforts have focused on forest management to mitigate risks in areas adjacent to roads, utility lines, and communities. This includes efforts to protect critical watersheds, support for water infrastructure for fire suppression in wildland urban interface areas, and federal assistance to harden community water facilities.

EBMUD has been working through the Upper Mokelumne River Watershed Authority (UMRWA) on forest-related issues. Of note, as a result of a stewardship agreement between

UMRWA and the U.S. Forest Service signed in 2016, UMRWA has procured multi-year contracts for forest health actions and now nearly 4,000 acres in the watershed have been or are being improved by forest thinning or other methods to reduce catastrophic fire risk and/or protect water quality. UMRWA will continue to pursue grant funding and, when grants are secured, administer and implement those grant projects. UMRWA has also begun a collaborative partnership with the Calaveras Healthy Impact Product Solutions or CHIPS, a non-profit doing forest health-related work in Calaveras and Amador Counties, to implement additional projects in the Mokelumne River Watershed.

These issues of wildfire preparedness and forest and watershed health constituted a stand-alone initiative in 2020, but because of the intersection with climate change due to air quality and water quality impacts, staff has proposed that this topic be placed under the broader umbrella of climate change.

Efforts to Mitigate and Adapt to Climate Change

To help mitigate the effects of climate change, EBMUD took action on September 22, 2020, to make the District's water operations carbon neutral by 2030, making EBMUD a climate leader among water agencies. In addition, EBMUD is pursuing greening the vehicle fleet, as well as increasing the use of renewable energy with the District's own generation of renewable energy from hydropower, solar, and biogas. Other mitigation efforts include EBMUD's Resource Recovery program and increasing water conservation efforts.

EBMUD's adaptation strategies include diversification of water supplies, enhanced water quality and ecosystem protection, and investment in resilient infrastructure to enhance responses to sea level rise, floods, changes in water quality, and drought conditions.

As part of any climate change initiative, Congress is expected to consider providing assistance to communities for increasing resiliency, such as for hardening of critical infrastructure, including water and wastewater utility infrastructure, and energy needs.

Workforce Development and Transition

Congress may also consider ways to expand workforce development programs supporting zero- or low-level carbon emissions technologies and industries of importance to the water sector. This will also include workforce transition efforts as part of a broad infrastructure package.

NEXT STEPS

Work with EBMUD's congressional delegation, the administration, relevant congressional committees, and other stakeholders, as appropriate, to:

1. Pursue opportunities to advance EBMUD's interests in efforts to address forest and watershed health and wildfire preparedness and identify potential opportunities for EBMUD to engage, particularly through its role in UMRWA.

2. Seek funding opportunities consistent with EBMUD's climate action plan to mitigate and adapt to climate change.
3. Support expanded federal grants assistance to encourage water and wastewater sector workforce development and transition.

INITIATIVE #4: INFRASTRUCTURE FUNDING

Congress and the Biden administration are expected to make infrastructure a top domestic policy priority with a focus on climate resiliency in addition to core infrastructure needs, including water and wastewater systems. Any discussions are expected to begin with the Biden "Build Back Better" plan and the House-passed Moving Forward Act. Both approaches place a premium on climate resiliency, addressing disadvantaged communities, and core water infrastructure needs.

Discussions may also include expanding or increasing eligibility for projects under existing programs such as the U.S. Bureau of Reclamation's (USBR) WaterSmart program; providing funding assistance through the Federal Emergency Management Agency (FEMA) for climate change mitigation-related and pre-disaster mitigation-related projects and programs; providing increased funding priority for disadvantaged communities that lack adequate and reliable water supplies; green energy; and the role of other forms of assistance such as grants, loans, and public-private partnerships.

Examples of areas where funding assistance would be beneficial to EBMUD and its ratepayers include: the Capital Improvement Program; the Bay Area Regional Reliability Project; recycled water projects; projects to facilitate regional and/or local water supply reliability; water and wastewater treatment projects or programs to facilitate climate change mitigation, sustainability, and resiliency, including water and energy conservation; projects to facilitate renewable energy; emergency preparedness, response, and recovery projects; and wastewater treatment-related projects such as nutrient removal, wet weather flow management, and biosolids reuse projects

Current avenues for pursuing federal funding include the Water Infrastructure Improvements for the Nation (WIIN) Act, the USBR WaterSmart program, the USBR Title XVI program, FEMA's Pre-Disaster Mitigation Grant program, and the U.S. EPA Sewer Overflow and Stormwater Reuse Municipal Grant program. Examples of project categories that may be eligible for funding via these avenues include efforts to support conservation and water-use efficiency as well as recycled water projects, such as EBMUD's WRDA authorized projects – San Ramon Valley Recycled Water Project and Integrated Recycled Water Project – and projects intended to reduce risk to natural hazards such as earthquakes, and wastewater-related projects to prevent sewer overflows and address wet weather flows.

NEXT STEPS

As Congress discusses infrastructure policy, staff will continue to communicate to EBMUD's congressional delegation the importance of EBMUD projects and how those projects and the local communities would benefit from funding. Staff will work with federal agencies and EBMUD's delegation to pursue any funding that may become available for EBMUD's funding needs.

1. Continue to advance EBMUD's comprehensive water and wastewater infrastructure funding needs via current and any relevant new federal funding avenues.

INITIATIVE #5: WATER SUPPLY RELIABILITY AND NATURAL RESOURCES PROTECTION

Water resources issues are expected to continue to be a key issue for Congress and the administration as they develop both infrastructure and climate resiliency policy and programs. Discussions will likely include, but not be limited to, reauthorization of the 2017 Water Infrastructure Improvements for the Nation (WIIN) Act and developing new federal priorities to protect and enhance fisheries and ecosystems within the Central Valley Project (CVP).

Reauthorization of, and modifications to, California water-related provisions of WIIN could impact the Mokelumne River fishery unless specific protections are added. The Central Valley Project Improvement Act (CVPIA) governs the management of the CVP and provides important provisions for the protection, restoration, and enhancement of fish and wildlife, such as dedication of CVP water for environmental purposes and goals for the natural production of salmon.

Changes to the CVPIA and CVP operations through WIIN renewal have the potential to affect EBMUD's water supply reliability and the Mokelumne River fishery.

With regard to the Mokelumne River fishery, changes to the CVPIA and CVP operations could allow various activities intended to benefit Delta exporters that would potentially harm the Mokelumne River fishery. Examples include allowing higher withdrawal rates from the Delta, repealing seasonal limitations on pumping, and increasing the time period when the Delta Cross Channel gates remain open.

Given congressional intent to pursue infrastructure, a strong possibility exists to leverage this intent and reauthorize the WIIN Act as part of any national infrastructure legislation. It is vital that EBMUD continue to work to protect and enhance the security of its water supplies, including primary and dry-year water supplies, and the Mokelumne River fishery.

NEXT STEPS

Staff will work with EBMUD's congressional delegation, the administration, and relevant congressional committees, as appropriate, to protect and advance EBMUD's interests in the context of EBMUD's water supply reliability and the Mokelumne River fishery. This ongoing initiative includes efforts to:

1. Protect EBMUD's Mokelumne River water supplies and seek to preserve EBMUD's access to water transfers and its CVP contract supplies.
2. Protect EBMUD's regional water supply programs and projects, including the Freeport Regional Water Project.
3. Protect the Mokelumne River fishery, including working to ensure that any policy or program revision, or project or project-related activity that is likely to affect the Mokelumne River fishery includes mitigation for the impacts by the responsible parties.