



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 - 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

Notice of Time Change

**LEGISLATIVE/HUMAN RESOURCES
COMMITTEE MEETING**

8:30 a.m.

Tuesday, January 9, 2018

Notice is hereby given that on Tuesday, January 9, 2018 the Legislative/Human Resources Committee Meeting of the Board of Directors has been rescheduled from 10:15 a.m. to 8:30 a.m. The meeting will be held in the Training Resource Center of the Administration Building, 375 - 11th Street, Oakland, California.

Dated: January 4, 2018

A handwritten signature in dark ink, appearing to read 'Rischa S. Cole', is written over a horizontal line.

Rischa S. Cole

Secretary of the District



**BOARD OF DIRECTORS
EAST BAY MUNICIPAL UTILITY DISTRICT**

375 – 11th Street, Oakland, CA 94607

Office of the Secretary: (510) 287-0440

AGENDA

Legislative/Human Resources Committee

Tuesday, January 9, 2018

8:30 a.m.

Training Resource Center

(Committee Members: Directors Coleman {Chair}, Patterson and Young)

ROLL CALL:

PUBLIC COMMENT: The Board of Directors is limited by State law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

DETERMINATION AND DISCUSSION:

1. Review the May 26, 2015 Policy Position Opposing Statewide Retail Water User Fees (Dumaine)
2. Legislative Update (Dumaine)
 - Federal Legislative Initiatives for 2018
 - Update on Legislative Issues of Interest to EBMUD

ADJOURNMENT:

Disability Notice

If you require a disability-related modification or accommodation to participate in an EBMUD public meeting please call the Office of the Secretary (510) 287-0404. We will make reasonable arrangements to ensure accessibility. Some special equipment arrangements may require 48 hours advance notice.

Document Availability

Materials related to an item on this Agenda that have been submitted to the EBMUD Board of Directors within 72 hours prior to this meeting are available for public inspection in EBMUD's Office of the Secretary at 375 11th Street, Oakland, California, during normal business hours, and can be viewed on our website at www.ebmud.com.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: January 4, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager *ARC*

FROM: Marlaigne Dumaine, Manager of Legislative Affairs *MD*

SUBJECT: Review the May 26, 2015 Policy Position Opposing Statewide Retail Water User Fees

SUMMARY

At the December 12, 2017 Legislative/Human Resources Committee meeting, staff was asked to bring the policy position opposing the imposition of any statewide retail user fees back to the Legislative/Human Resources Committee and Board for review. The existing policy position was adopted by the Board on May 26, 2015, and is attached to this memo. This item will be discussed at the Legislative/Human Resources Committee on January 9, 2018.

DISCUSSION

The concept of retail water user fees imposed on customer bills continues to be discussed in the legislature and administration as a way to provide a steady revenue source for the state to fund water-related programs, including but not limited to safe drinking water access for disadvantaged communities and low-income assistance. On May 26, 2015, the Board adopted a policy position that states EBMUD is opposed to the imposition of statewide retail water user fees, also known as public goods charges or water surcharges, on customer water bills on the basis of equity, affordability, accountability, and the beneficiary pays principle.

The policy is not intended to replace a Board-adopted position on individual proposals. Consistent with past practice, prior to advocating on specific proposals staff will continue to bring individual proposals to the Board for consideration at the appropriate time.

FISCAL IMPACT

Reconsideration of this policy position is not expected to have a fiscal impact on the District.

ALTERNATIVES

Staff is recommending the committee consider two alternatives:

1. Retain the May 26, 2015 policy position.
2. Rescind the May 26, 2015 policy position.

Review the May 26, 2015 Policy Position Opposing Statewide Retail Water User Fees
Legislative/Human Resources Committee
January 4, 2018
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If the Legislative/Human Resources Committee wishes to consider amendments to the May 26, 2015 policy position, staff recommends that amendments be drafted by the Legislative/Human Resources Committee prior to consideration by the Board.

ARC:MD

Attachment

I:\Sec\2018 Board Related Items\010918 LEG-HR\ OGM - Review the May 26 2015 Policy Position Opposing Statewide Retail Water User Fees

May 26, 2015 Policy Position on Statewide Retail Water User Fees

Funding for a variety of water-related projects and programs has become increasingly dependent on bond funding rather than allocations from the state general fund. Such programs include ecosystem restoration, research and monitoring, improvements to the statewide water system, and safe drinking water for disadvantaged communities. While bond measures can provide significant infusions of financial support for such actions, they are an unreliable funding mechanism as they require voter approval, and incur greater costs over the long run due to interest payments.

Retail water user fees have been proposed as an alternative way to ensure a steady revenue source to fund water-related programs considered by the state to be in the public's interest. Water fees have also been referred to as a public goods charge or a water surcharge. In most proposals, funds would be collected through a charge on retail customer water bills, placing the burden on urban ratepayers and urban water agencies.

Proponents of a retail water fee have asserted a fee would better adhere to the beneficiary pays principle, which holds that those who benefit from a project or program should pay for it. Further, a retail water fee would also be administratively simple to implement from the state's perspective. Opponents of a retail water fee assert that retail water use fees are inefficient and unfair, create inappropriate subsidies, and actually violate the beneficiary pays principle.

EBMUD is opposed to the imposition of state retail water use fees or surcharges on customer water bills on the basis of equity, affordability, and accountability.

Equity: Even though all Californians rely on surface or groundwater supplies, many water users would not contribute under a retail water user fee system as their consumption is not measured. These include most agricultural users, private well owners, and some urban users who do not yet have meters. This places the entire burden on retail customers who consume only a portion of the water used in the state.

Affordability: Retail water use fees added to customer bills would not be related to the cost of water service but would increase the payment amount. This would directly affect the affordability for rate payers, particularly those that are low income.

Beneficiary pays: A retail water user fee system would redirect resources away from water agencies that have carefully managed their finances and investments, and subsidize those that have not. EBMUD has been a leader in water use efficiency, natural resources stewardship, and integrated water planning while relying on a carefully established, fair and sustainable rate structure for its customers. For projects with multiple beneficiaries, the state should implement a rigorous beneficiary pays system to limit "free riders", including an analysis of the benefits that are truly public and would merit state funding. A

more thorough analysis of beneficiaries and benefits for a given project or program would improve the economic justification for beneficiary contributions, and in all likelihood reduce the state's cost share for clearly defined public benefits.

Local control and infrastructure investment: In many parts of EBMUD's service area, water collection and distribution systems are reaching the end of their normal lifespan, and replacement costs will grow at a rate far exceeding inflation in the coming decades. A retail water user fee added to customer bills would impair the ability of water agencies to raise rates needed to fund critical infrastructure. Given the public's sensitivity to rate increases and the requirements of Prop 218, imposing a retail water use fee would effectively redirect ratepayer dollars to the state and displace critical investments in local infrastructure, thus undermining the continued reliability of our water systems.

Due to the deepening drought, EBMUD recently made the difficult decision to impose drought surcharges on customer bills to help meet fixed costs, which comprise the large majority of our capital and operating costs in providing water service. Even if precipitation returns to normal levels next year, many water purveyors will have deficits in their supplies and rationing may have to continue, with the accompanying reductions in revenue.

Efficiency and Accountability: With every additional step in revenue collection, administrative costs are incurred that erode the value and impact of the funds. Accountability is also lost as the path from revenue source to expenditure becomes clouded.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: January 4, 2018

MEMO TO: Board of Directors

THROUGH: Alexander R. Coate, General Manager

ARC

FROM: Marlaigne Dumaine, Manager of Legislative Affairs

MD

SUBJECT: Federal Legislative Initiatives for 2018

RECOMMENDED ACTION

Approve the proposed federal legislative initiatives for 2018 which focus on: 1) advancing EBMUD's interests in the context of protecting EBMUD's Mokelumne water rights, EBMUD's water supply reliability, and the Mokelumne fishery; 2) seeking federal funding opportunities for EBMUD projects via any new and existing federal programs; 3) advancing EBMUD's interests in the context of federal participation in California WaterFix; and, 4) continuing to monitor and evaluate federal efforts to promote healthy forests and watersheds, and provide updates to the Board as appropriate.

OVERVIEW

The 115th Congress re-convened this month amidst a challenging political environment in which a number of policy issues remain outstanding, including infrastructure and forest management, compounded by an election year. The upcoming mid-term elections will likely spur the Republican-controlled congress to redouble efforts to move legislation on outstanding policy issues to the President. Congress' policy agenda is expected to include issues of interest to EBMUD, such as water supply reliability, species protection, and infrastructure. At the same time, congress must also resolve fiscal year (FY) 2018 and FY 2019 spending.

On the policy front, following implementation of the Water Infrastructure Improvements for the Nation (WINN) Act in 2017, congress will continue efforts to re-examine federal natural resources policies and programs, including changing or overturning various statutes such as the Endangered Species Act (ESA) and the Central Valley Project Improvement Act (CVPIA). These discussions could pose significant risks to, and have important consequences for, EBMUD's water rights, water supply, the Mokelumne fishery, and EBMUD's commitment to natural resources as an integral part of EBMUD's primary role to provide water supply and wastewater treatment services.

With regard to forest health and management, while congress considered several approaches in 2017 to ensure adequate funding for both forest management and wildfire suppression, and passed disaster relief bills that included wildfire suppression funding, no agreement was reached

on how to address the issue in the long term. It is expected that congress will continue to consider this issue in 2018.

On fiscal issues, congress passed a continuing resolution in late 2017 to fund the federal government, including core water infrastructure programs such as the State Revolving Funds and water recycling assistance programs, at existing 2017 levels through January 19, 2018. Congress may address the remainder of the current fiscal year spending by extending current spending levels via a Continuing Resolution, in order to focus on enacting a FY 2019 budget by October, rather than seeking to change current spending levels through an omnibus spending measure. Regardless of the approach, it is expected that funding for infrastructure, including water resources, will remain a priority.

Though one of the administration's priorities is to address overall infrastructure assistance comprehensively, congress may be reluctant to enact broad new federal spending programs, which could result in water infrastructure assistance being considered as a stand-alone issue. In 2018, congress may consider how to increase federal infrastructure funding and explore the development of new programs for federal infrastructure funding beyond those included in the WIIN Act. This may include discussions on reauthorizing the Water Resources Development Act (WRDA) to provide some form of direct or indirect project funding on a limited basis similar to the targeted funding approach included in the WIIN Act. In addition, discussions are likely to include proposals to develop new, or expand existing, low-interest loan programs, as well as alternative financing proposals, such as ways to facilitate private financing.

Given the uncertainty of what avenues will be available for securing federal funding, it will continue to be important to advance EBMUD's project funding needs, with the administration and EBMUD's congressional delegation, irrespective of whether the projects have existing WRDA authorizations. Funding secured in recent years has included a \$200,000 United States Bureau of Reclamation (USBR) grant for the Bay Area Regional Reliability Project (BARR) drought contingency plan, a \$400,000 USBR grant for BARR for the development of a regional water market, and a \$1,000,000 USBR grant to study the feasibility of using advanced metering infrastructure.

EBMUD's 2018 federal legislative initiatives have been developed based on known congressional priorities at this time and are consistent with EBMUD's core mission.

EBMUD's 2018 federal legislative initiatives are focused on four items to address the areas of highest risk, need, and opportunity for EBMUD in the context of the current congressional climate:

- 1) continuing to advance EBMUD's interests in the context of protecting EBMUD's Mokelumne River water rights, EBMUD's water supply reliability, and the Mokelumne fishery;
- 2) infrastructure funding;
- 3) advancing EBMUD's interests in the context of federal participation in California WaterFix; and,

- 4) continuing to monitor and evaluate federal efforts to promote healthy forests and watersheds.

FEDERAL INITIATIVE	ACTION
<p>1. Continue to advance EBMUD's interests in the context of Mokelumne River water rights, water supply reliability, and the Mokelumne fishery.</p>	<p>Staff will focus on EBMUD's priority issues in an effort to ensure EBMUD's ratepayers are not held responsible for the flow obligations, project mitigations, or expected habitat restoration success of others, including the state and federal projects. This includes efforts to:</p> <ul style="list-style-type: none"> • Protect EBMUD's Mokelumne water rights, and preserve EBMUD's access to water transfers and its Central Valley Project (CVP) contract supplies. • Protect regional water supply programs and projects, including Freeport Regional Water Project. • Protect the Mokelumne fishery, including working to ensure that any policy or program revision, or project or project-related activity that would impact the Mokelumne salmonid fishery includes mitigation by the responsible parties for the impacts. • Support appropriate stewardship responsibilities for the CVP, and the preservation of the ESA and the CVPIA.
<p>2. Seek federal funding opportunities for EBMUD projects via any new and existing federal programs.</p>	<ul style="list-style-type: none"> • Seek any available funding opportunities via current federal avenues which include the WIIN Act, the USBR WaterSmart program, and the USBR Title XVI program. Examples of types of projects that may be eligible for funding include water conservation and water-use efficiency projects, as well as recycled water projects. • Continue to advance EBMUD's comprehensive infrastructure funding needs as congress works to develop infrastructure policy. These needs include but are not limited to: the Capital Improvement Program; the Regional EBMUD Seismic Component Upgrade (RESCU) program; the Bay Area Regional Reliability Project; recycled water projects; projects to facilitate regional and/or local water supply reliability; projects or programs to facilitate climate change mitigation and resiliency, including water and energy conservation; and projects to facilitate renewable energy. • Seek project assistance opportunities within the context of any discussions that may occur regarding temporary federal relief packages such as drought or emergency relief.

<p>3. Advance EBMUD's interests in the context of federal participation in California WaterFix.</p>	<ul style="list-style-type: none">• Staff will focus on EBMUD's priority issues:<ul style="list-style-type: none">○ EBMUD ratepayers should not be asked to pay for costs for a project that does not benefit them and are the responsibility of others.○ Support the United States Bureau of Reclamation "participation approach" to California WaterFix that is intended to recover costs from participating Central Valley Project contractors and avoid negative impacts to non-participating Central Valley Project contractors.
<p>4. Continue to monitor and evaluate federal efforts to promote healthy forests and watersheds, and provide updates to the Board as appropriate.</p>	<ul style="list-style-type: none">• Monitor federal legislation on forest and watershed health, and identify potential opportunities for EBMUD to engage, particularly through its role in the Upper Mokelumne River Watershed Authority.• Continue to gather information at the federal level on efforts to fund both forest management and wildfire suppression, as well as efforts to promote forest and watershed health, and provide updates to the Board as appropriate.

Attachment

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FEDERAL INITIATIVES - 2018

INITIATIVE #1 – CONTINUE TO ADVANCE EBMUD’S INTERESTS IN THE CONTEXT OF EBMUD’S MOKELUMNE WATER RIGHTS, WATER SUPPLY RELIABILITY, AND THE MOKELUMNE FISHERY

Following implementation of the Water Infrastructure Improvements for the Nation (WIIN) Act in 2017, it is expected that congress and the administration will continue to pursue significant changes, including potentially overturning, critical federal natural resources statutes, policies, and programs. This is expected to include the Endangered Species Act (ESA), which provides for the protection of endangered and/or threatened species and habitat, and the Central Valley Project Improvement Act (CVPIA), which governs management of the Central Valley Project (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.

Attempts to change federal natural resources statutes such as the ESA and CVPIA, as well as possible efforts to address water resources issues beyond the drought language included in the WIIN Act would pose significant risk to EBMUD’s Mokelumne water rights, the water supply reliability in the context of access to transfers and the Freeport Regional Water Project, and the Mokelumne fishery.

For example, if the CVPIA is re-written to no longer require a portion of CVP water to be set aside for the environment this could harm water quality and species in the Delta, and lead to the state requiring others, such as EBMUD, to make up for the CVP water that would otherwise be going to the environment. This potential shift of responsibility would threaten EBMUD’s Mokelumne water rights by requiring EBMUD to release additional Mokelumne River water to offset impacts. This shift of responsibility could also pose a risk to EBMUD’s access to some water transfers if other entities no longer have excess water to sell as a result of having to make up for the CVP water that would have otherwise gone to the environment.

With regard to the Mokelumne fishery, changes to the ESA and CVPIA could allow various activities to benefit Delta exporters in a manner that would have the practical effect of harming the Mokelumne 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. Potential harm associated with these types of actions includes increasing entrainment of juvenile salmon in the export pumps, increased exposure to predators, and straying of adult Mokelumne-origin fish to other rivers. CVPIA program funding for habitat restoration on the Mokelumne River, typically about \$100,000 per year, could also be at risk, further jeopardizing EBMUD’s efforts to restore and enhance the Mokelumne River ecosystem and fishery.

Given the clear expressed intent of the administration and congressional leadership to pursue significant changes to critical federal natural resources statute, it is vital that EBMUD continue to work to protect the security of its water rights, primary and dry-year water supply, and the Mokelumne fishery. Staff will continue to engage with EBMUD’s delegation and others to closely monitor the development of natural resources and water-related legislation or administration policies, protect EBMUD’s interests, and communicate EBMUD’s needs.

Recommended Actions

Work with EBMUD's congressional delegation, the administration, and relevant congressional committees, as appropriate, to advance EBMUD's interests and protect EBMUD's Mokelumne water rights, water supply reliability, and the Mokelumne fishery. Staff will focus on EBMUD's priority issues in an effort to ensure EBMUD's ratepayers are not held responsible for the flow obligations, project mitigations, or expected habitat restoration success of others, including the state and federal projects. This includes efforts to:

1. Protect EBMUD's Mokelumne water rights, and preserve EBMUD's access to water transfers and its CVP contract supplies.
2. Protect regional water supply programs and projects, including Freeport Regional Water Project.
3. Protect the Mokelumne fishery, including working to ensure that any policy or program revision, or project or project-related activity that would impact the Mokelumne salmonid fishery includes mitigation by the responsible parties for the impacts.
4. Support appropriate stewardship responsibilities for the CVP, and the preservation of the ESA and the CVPIA.

INITIATIVE #2 – SEEK FEDERAL FUNDING OPPORTUNITIES FOR EBMUD PROJECTS VIA ANY NEW AND EXISTING FEDERAL PROGRAMS

Background

Congress is expected to continue to discuss water and wastewater infrastructure, and how to address providing federal assistance, either as part of discussions on a comprehensive infrastructure policy or as a stand-alone issue. These discussions on water and wastewater infrastructure are anticipated to be both within the context of discussions on reauthorization of the Water Resources Development Act (WRDA) and providing assistance programmatically through federal agencies. Discussions will also likely include what role conventional funding via the State Revolving Fund Loan Program, Water Infrastructure Finance and Innovation Act (WIFIA) assistance, tax-exempt financing tools, or other innovative financing approaches, such as private sector financing or development of state WIFIA programs, may play in providing assistance.

In 2017, EBMUD pursued federal funding opportunities administratively and legislatively for EBMUD projects, including projects with existing WRDA authorizations, such as the San Ramon Valley Recycled Water Project and the Integrated Recycled Water Project. Although congressional efforts to provide direct water resources project assistance legislatively were unsuccessful, was selected to receive a \$400,000 grant from the United States Bureau of Reclamation (USBR) to support a component of the Bay Area Regional Reliability Project, specifically the development of an

implementation plan for establishing a Regional Water Market in the Bay Area to help promote long-term drought resilience.

The implementation of, and the funding approach included in, WIIN will require continuing to work directly with federal agencies to pursue funding through the federal budget process and/or through any discretionary funding opportunities. Current avenues for pursuing federal funding include the WIIN Act, the USBR WaterSmart program, and the USBR Title XVI program. Examples of types of projects that may be eligible for funding via these avenues include projects 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.

As congress works to develop infrastructure policy, it will also be necessary to continue to communicate to EBMUD's congressional delegation the importance of EBMUD projects and how those projects would benefit from funding. Congress will likely continue to consider ways to provide specific assistance for water supply reliability and resiliency, though it is unlikely that congress would provide any direct project assistance (e.g., earmarks). Staff will work with federal agencies and EBMUD's delegation to pursue any funding that may become available for EBMUD's infrastructure funding needs.

Recommended Actions

Work with EBMUD's delegation, appropriate committee staff and the administration to:

1. Seek any available funding opportunities via current federal avenues which include the WIIN Act, the USBR WaterSmart program, and the USBR Title XVI program. Examples of types of projects that may be eligible for funding include water conservation and water-use efficiency projects, as well as recycled water projects.
2. Continue to advance EBMUD's comprehensive infrastructure funding needs as congress works to develop infrastructure policy. These needs include, but are not limited to: the Capital Improvement Program; the Regional EBMUD Seismic Component Upgrade (RESCU) program; the Bay Area Regional Reliability Project; recycled water projects; projects to facilitate regional and/or local water supply reliability; projects or programs to facilitate climate change mitigation and resiliency, including water and energy conservation; and projects to facilitate renewable energy.
3. Seek project assistance opportunities within the context of any discussions regarding any temporary federal relief packages such as drought or emergency relief.

INITIATIVE #3 – ADVANCE EBMUD'S INTERESTS IN THE CONTEXT OF FEDERAL PARTICIPATION IN CALIFORNIA WATERFIX

The issue of federal participation in California WaterFix (WaterFix) and cost allocation of WaterFix may garner congressional interest in 2018. The United States Bureau of Reclamation (USBR) is

continuing to assess its role with regard to WaterFix. In addition, there may be an effort underway to undermine the CVP cost allocation of WaterFix in a manner that would violate the long-standing USBR beneficiaries pay policy. Staff is aware of two proposals to shift CVP cost allocations. One proposal is for all CVP contractors to pay to offset the costs of WaterFix for those contractors that would benefit. A second proposal is for south of Delta water uses, such as refuge deliveries, to share in the cost of WaterFix.

These proposals violate the beneficiaries pay principle and would result in a shift in WaterFix costs from a small percentage of CVP contractors that would benefit from WaterFix to the vast majority (78 percent) of CVP contractors, including EBMUD that would not directly benefit from WaterFix. Shifting WaterFix costs to non-beneficiaries is contrary to the USBR's "participation approach" for WaterFix that is intended to provide a framework for recovering costs from CVP contractors who choose to participate in WaterFix and avoid negatively impacting non-participants. In addition, shifting WaterFix costs to non-beneficiaries would mean EBMUD's ratepayers must pay for a project that would not benefit them and has the potential to harm EBMUD's water supply, EBMUD's facilities, and the Mokelumne River fishery, if not adequately mitigated.

Staff will continue to engage with the USBR and its delegation to monitor efforts to develop legislation or administration policies regarding WaterFix cost allocations among CVP contractors, protect EBMUD's interests, and communicate EBMUD's needs.

Recommended Actions

Work with the administration, EBMUD's congressional delegation, and others, as appropriate, to advance EBMUD's interests and protect EBMUD's ratepayers. Staff will focus on EBMUD's priority issues:

1. EBMUD ratepayers should not be asked to pay for costs for a project that does not benefit them and are the responsibility of others.
2. Support the USBR "participation approach" to WaterFix that is intended to recover costs from participating CVP contractors and avoid negative impacts to non-participating CVP contractors.

INITIATIVE #4 – CONTINUE TO MONITOR AND EVALUATE FEDERAL EFFORTS TO PROMOTE HEALTHY FORESTS AND WATERSHEDS, AND PROVIDE UPDATES TO THE BOARD AS APPROPRIATE

The destructive wildfire season in 2017 is expected to renew interest in addressing forest and watershed health. In recent years federal efforts on this topic have largely focused on congressional attempts to fund both forest management and wildfire suppression. Historically, when wildfire suppression funding levels have not been adequate, funds have been borrowed from wildfire preparedness, forest management, and other accounts in order to make up for shortfalls. In 2017, congress provided additional fire suppression funding via disaster relief legislation rather than borrow

from wildfire or forest management accounts. This action signals the issue has traction and congress is expected to continue to debate a more permanent solution in 2018, which may include discussions to continue utilizing disaster relief funding to provide some wildfire suppression funding. The legislative approaches to date have sought to address the funding issue but have also contained various provisions that seek to bypass environmental protections or set a higher threshold to challenge a project.

Staff will continue to monitor and evaluate federal efforts in the Mokelumne River watershed, in particularly working through the Upper Mokelumne River Watershed Authority (UMRWA). Of note, as a result of a stewardship agreement between UMRWA and the United States Forest Service (USFS) signed in 2016, UMRWA procured contracts for forest health actions and began implementing this work in the fall of 2017. Though work halted with the onset of winter weather, it will restart in spring of 2018. At its fall workshop, the UMRWA Board confirmed its purpose of focusing on watershed health efforts as a primary goal. In support of that, UMRWA will continue to pursue grant funding and, when grants are secured, administer and implement those grant projects. UMRWA is also exploring implementation of a Community Forest Program on Bureau of Land Management land in the Mokelumne River watershed, which has the potential to contribute to the long-term management and sustainability of the Mokelumne River watershed.

Recommended Actions

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

1. Monitor federal legislation on forest and watershed health, and identify potential opportunities for EBMUD to engage, particularly through its role in UMRWA.
2. Continue to gather information at the federal level on efforts to fund both forest management and wildfire suppression, as well as efforts to promote forest and watershed health, and provide updates to the Board as appropriate.

