



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

March 3, 2010

Ms. Nancy Sutley
Chair
Council on Environmental Quality
Executive Office of the President
Washington, D.C. 20503

Dear Ms. Sutley:

Comments on Proposed Revisions to the
National Objectives, Principles, and Standards for Water and Related Resources

The Metropolitan Water District of Southern California (Metropolitan) is pleased to provide comments to the Executive Office of the President, Council on Environmental Quality (CEQ) on its Proposed Revisions to the National Objectives, Principles, and Standards for Water and Related Resources (Revised Objectives). The purpose of the objectives is to guide relevant federal agencies in the evaluation and preparation of federal water and related land use implementation plans and studies. With the Revised Objectives, CEQ seeks to update these 25-year-old principles and to modernize the current approach to water resources development in this country.

Metropolitan is a wholesaler of treated and untreated water supplies to over 19 million Southern Californians residing in six counties covering a 5,200 square mile service area. Metropolitan imports water supplies for its 26 public and municipal member agencies from the Colorado River via a 242-mile aqueduct and from the San Joaquin San Francisco Bay-Delta (Delta) via the 444-mile long California Aqueduct. Metropolitan's mission is to provide its member agencies with adequate and reliable supplies of high quality water to meet present and future needs in an environmentally and economically responsible way. Thus, the topic of federal water resource planning is of critical concern to Metropolitan and its member agencies because of the potential impacts on water supply and quality.

Metropolitan applauds the CEQ's efforts in developing the Revised Objectives. Metropolitan supports CEQ's goal to ensure that the Revised Objectives achieve an appropriate balance between the protection of the environment and natural resources, and sustainable economic development. Uniform adoption of the Revised Objectives by all federal agencies whose decisions affect water resources is essential to ensure proper implementation of CEQ's goals. Also, it is critical that more detailed guidance be provided on how to calculate the indirect and

Ms. Nancy Sutley, Chair

Page 2

March 3, 2010

non-monetary benefits and costs of federal water resource planning decisions, and studies in these areas be based on independently peer-reviewed science. Metropolitan provides the following comments on the following specific sections of the Revised Objectives in an effort to assist CEQ in meeting its goals.

Chapter II – Planning Standards

1. Implementation Studies

Because the Revised Objectives are intended to address water resource impacts arising out of federal land use determinations, Metropolitan recommends that any other federal agencies whose decisions affect water resources, who are not already listed in this section, be encouraged to adopt the Revised Objectives, including U.S. Bureau of Land Management (BLM), U.S. Department of Energy (DOE), Federal Energy Regulatory Commission (FERC), and U.S. Fish and Wildlife Service. For example, as you are aware, BLM and DOE are in the midst of making landmark decisions regarding the use of federal lands for renewable energy projects. These projects have the potential to impact water resources and thus, application of the Revised Objectives could be beneficial in coordinating and reducing impacts from pending renewable energy projects. FERC could also benefit from adoption of the Revised Objectives to its decisions on dam licensing and other federal energy-related projects.

2. Planning Standards

A. Protect and Restore Natural Ecosystems and the Environment while Encouraging Sustainable Economic Development

Metropolitan agrees that protection of the environment and encouraging economic development should be treated as co-equal goals in federal water resource planning. However, Metropolitan recommends that CEQ provide additional explanation on how “environmental outputs” shall be measured and what is meant by a “net national gain.” It is important that these terms be clarified so all affected agencies have a common understanding of their meaning. More importantly, CEQ should provide uniform guidance to be adopted by the federal agencies to ensure that the goals are properly and consistently applied.

B. Account for Ecosystem Services

Metropolitan supports equal consideration of both direct and indirect ecosystem contributions, and the effects that federal projects have on such services. In this regard, it would be helpful if CEQ provided more detailed guidance on what qualifies as indirect ecosystem impacts and how these are to be quantified; particularly impacts to characteristics that deem to have intrinsic value. Also, additional guidance on the meaning of “intrinsic natural value changes” would be beneficial.

Ms. Nancy Sutley, Chair

Page 3

March 3, 2010

D. Utilize Watershed and Ecosystem Based Approaches

Metropolitan supports CEQ's effort to encourage federal agencies to adopt a more "holistic" approach to defining the relevant "study area" for each federal project. Providing the agencies with flexibility will be critical to achieving this goal. As noted, there are instances when political boundaries are relevant and others where they are not, for example, consideration of trans-boundary pollution impacts at the Mexican and Canadian borders. Also, as set forth above, Metropolitan recommends that CEQ provide further guidance on how to calculate and what qualifies as a "non-monetary trade-off."

E. Utilize Best Available Science, Practices, Analytical Techniques, Procedures and Tools

Metropolitan agrees that use of best available science is essential to help ensure accurate water resource planning. Peer review of the applicable proposed science is necessary. This peer review should be independent and should fully consider differing scientific viewpoints. It is important that scientific studies not stifle debate, but encourage it.

G. Account for the National Benefits and Costs in Appropriate Monetary and Non-monetary Terms

Metropolitan supports consideration of non-monetary costs and benefits. However, as noted in this section, "non-monetary parameters must utilize consistent metrics in order to understand and compare alternatives." Metropolitan agrees with this statement, and encourages CEQ to develop further guidance for federal agencies to determine what metrics to apply when monetizing non-monetary costs and benefits. As written, these terms are subject to multiple interpretations. In order to meet CEQ's goals, it is important that the Revised Objectives be applied consistently, both across the various federal agencies and geographically to the extent feasible.

I. Address Risk and Uncertainty, Including the Effects of Climate Change and Future Development

Metropolitan agrees that a certain amount of "persistent uncertainty" in water resource planning is unavoidable. To reduce this uncertainty, Metropolitan encourages CEQ to provide further direction on how climate change impacts will be identified and what metrics will be used to quantify the effects of climate change. CEQ acknowledges the need to quantify such uncertainty, but should also discuss available methods of quantification. Without direction in this area, federal agencies may develop conflicting standards.

Ms. Nancy Sutley, Chair

Page 4

March 3, 2010

3. Overview of the Planning Process

Throughout this section, CEQ discusses the need to identify a “non-structural alternative” when evaluating any federal project. *See, e.g.*, Ch. II, ¶ 3, §§ H(2), J(2). In analyzing project alternatives, including the non-structural alternative, CEQ directs federal agencies to include an analysis of the “non-monetary effects” and “social effects” of each alternative. *See* Ch. II, ¶ 3, §§ I(b), I(b)(3). As noted above, Metropolitan recommends that CEQ provide further direction on how non-monetary and social effects may be identified and quantified. Without a uniform and consistent direction on how to calculate such effects, they may be subject to manipulation and bias.

Metropolitan appreciates the opportunity to provide comments on the Revised Objectives and would appreciate being included in any future notices related to their development. If we can be of further assistance, please feel free to contact my staff, Grace Chan at (213) 217-6798 or gchan@mwdh2o.com.

Very truly yours,



Devendra N. Upadhyay
Manager, Water Resource Management

GLC:tt