



## ***Subcommittee on Long-Term Regional Planning Processes and Business Modeling***

2/28/2023 Committee Meeting

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3b

### **Subject**

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Discuss Climate Adaptation Master Plan for Water and the next steps following the 2023 Board Retreat

### **Executive Summary**

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On February 13 and 14, 2023, the Metropolitan Water District Board of Directors held a retreat to discuss the impacts of climate change on Metropolitan's water resources. The document "Developing a Climate Adaptation Master Plan for Water" (**Attachment 1**) is intended to help memorialize Board input from the retreat as well as to frame future planning. Metropolitan staff and the retreat facilitation team reviewed the feedback from both the breakout and full retreat sessions and distributed the document near the end of the retreat. No action was taken.

Staff will present an overview of the document and seek subcommittee feedback. Staff will then prepare a guidance summary incorporating the feedback and present it to the Finance, Audit, Insurance, and Real Property Committee and Board of Directors for consideration in March.

### **Details**

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#### **Background**

Staff prepared a draft document, "Developing a Climate Adaptation Master Plan for Water" (with minor, non-substantive modifications to what was distributed at the retreat), for discussion by the subcommittee with the intention of building off the momentum of the February retreat and to help chart a planning path for climate change adaptation. This planning work functions as a catalyst to help position Metropolitan for greater climate resilience and to provide reliable water in an economically and environmentally responsible manner in the years and decades ahead.

The document presents goals and planning considerations for the proposed master planning. Among the goals is to align Metropolitan's financial and water planning and to develop criteria for prioritizing investments for climate resilience. Planning considerations reflect the Board discussion and raise issues including affordability, demand management, the role of storage, climate vulnerabilities, strategic communications, and inclusive community engagement. The document also presents the definition of "resilience," which was used during the retreat.

The Subcommittee on Long-Term Regional Planning and Business Modeling may wish to comment on the scope and content of the document to further guide the planning process and the alignment of our resource planning. With that input, staff will prepare a guidance summary for consideration by the Finance, Audit, Insurance, and Real Property Committee and Board of Directors in March.

### **Policy**

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Metropolitan Water District Act Sec. 130.5: Legislative Findings and Declarations Relating to Conservation

By Minute Item 39412, dated January 14, 1992, the Board adopted the revised mission statement of the Metropolitan Water District of Southern California.


By Minute Item 41734, dated January 9, 1996, the Board adopted the Integrated Water Resources Plan.

By Minute Item 44813, dated March 12, 2002, the Board adopted policy principles on global climate change and water resources planning.

By Minute Item 52776, dated April 12, 2022, the Board authorized the General Manager to adopt the 2020 Integrated Water Resources Plan Regional Needs Assessment.

By Minute Item 52823, dated May 10, 2022, the Board adopted the Climate Action Plan.

By Minute Item 53051, dated December 13, 2022, the Board adopted policy principles related to sustainability, resiliency, and innovation; Metropolitan supports policies and funding that encourage sustainable practices that improve water and power system resilience and adapt to a rapidly changing environmental landscape.



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Adel Hagekhalil  
General Manager

2/22/2023

Date

**Attachment 1 – Developing a Climate Adaptation Master Plan for Water - REVISED (Clean Version)**

**Attachment 2 - Developing a Climate Adaptation Master Plan for Water - ADDED (Redline Version)**

Ref# eo12687058

## **Developing a Climate Adaptation Master Plan for Water**

The Metropolitan Water District of Southern California finds itself at a historic crossroad. Metropolitan's Board of Directors, having completed a two-day retreat ending February 14, 2023, resolves to continue to build understanding among Board Members and the agencies they represent to advance strategies for an equitable and resilient water future. Findings shared at the retreat from over 60 interviews of Board Members and member agency managers provide a foundation for understanding each other's perspectives and improving and deepening collaboration among the member agencies. At a time when human and ecological systems across California and the West are stressed by a rapidly changing climate, a bold and coordinated approach is required to ensure water supply resilience, affordability and equity while addressing climate impacts, risks, and vulnerabilities facing the region's water system and the communities it serves.

We will do so through an inclusive and iterative process, in close consultation with our member agencies and reaching out to interested parties and affected communities. The Subcommittee on Long-Term Regional Planning & Business Modeling will provide a reporting and organizing structure to ensure progress as described below.

### **Goals for the coming months include:**

- Align Metropolitan's planning efforts to reflect an integrated approach to water resources, finance, and climate resilience.
- Build a mutual understanding of interests and needs among member agencies and Board Members.
- Focus water planning on long-term regional objectives, reflecting the responsibility of Metropolitan as a regional entity, while responding to near-term conditions and opportunities for collaboration among member agencies.
- Develop criteria for prioritizing investments for climate resilience, identifying both immediate "no-regrets" projects and programs as well as long-term resource strategies.

- Develop business model options to strengthen Metropolitan’s ability to perform its core statutory mission and financial sustainability, which will enable necessary investment and operations to support climate resilience in the region’s water supply.
- Prepare Metropolitan to complete a biennium budget for Fiscal Years 2024-2026 that reflects the priorities resulting from the Board’s alignment of water supply and delivery, climate, and financial planning.

## **Resilience**

The Board affirms the following working definition of resilience, consistent with that of the State of California Governor’s Office of Planning and Research, and may continue to further define it in the context of a Climate Adaptation Master Plan for Water:

*Resilience is the capacity of any entity – an individual, a community, an organization, or a natural system – to prepare for disruptions, to recover from shocks and stresses, and to adapt and grow from a disruptive experience.*

## **Next Steps**

The Board chair and vice chairs will work together to coordinate the timing, scope, and development of issues for consideration by the full Board of Directors and/or by the committees and subcommittees under their respective purview.

The Subcommittee on Long-Term Regional Planning & Business Modeling will provide a regular meeting forum and organizing structure to ensure progress and is charged with maintaining a calendar for next steps. While this Subcommittee is a public and transparent process, further public engagement is expected as well, including dialogue with and input from member agencies, which is essential to the success of the Board process.

In preparing future discussions and proposals, staff will work to provide the data and analyses as requested and necessary to support the Board process and will incorporate the following guidance in the master planning process. This is not an exhaustive or exclusive list, but rather one that highlights points raised during the retreat that held widespread interest:

### *Finance and Planning*

- Resource planning must take a holistic approach that involves not only Metropolitan and member agency supply projections, considerations, and opportunities, but also financial, risk, environmental, and community impact analyses.
- Affordability, cost impacts, equitable allocation of costs and benefits, and the return on investments are critical to inform water resource and investment choices.
- The Needs Assessment of the Integrated Resources Plan provides an important tool for supply analyses and the development of resource options. It should be accessible to support member agency planning, be used as a common foundation to work with member agencies to evaluate existing project commitments and prospective proposals and remain updated with existing and appropriately projected member agency supplies as well as emerging efficiency standards and regulatory mandates.
- Resource planning must value and assume conservation as a core supply that sets a measurable proactive demand management target.

### *Climate Action*

- Climate resilient solutions include actions to support the entire Metropolitan service area as well as those that better connect and protect the State Water Project Dependent Areas and other areas vulnerable due to single-source dependence.
- Metropolitan should acknowledge and plan for current and planned member agency local resources and work with member agencies to develop new investment and partnership strategies to expand local resources, with an emphasis on supporting smaller member agencies when needed.
- Groundwater and storage opportunities can be facilitated and maximized as regional assets through greater integration and use of Metropolitan's distribution system, working in collaboration with member agencies and groundwater agencies.
- A comprehensive Climate Vulnerability and Risk Assessment will inform resource planning and investments and provide a tool for Metropolitan's Board, staff, and

member agencies to consider the cascading impacts of climate and pursue solutions that advance multiple objectives and benefits.

- The assumptions that create our planning scenarios should be expressly stated and dynamic—updatable and regularly updated—including with the latest climate science. This is part of creating an adaptive framework for decision making.

### *Strategic Communications and Engagement*

- Engagement of member agencies and the broad set of interested parties will improve planning, identify potential partnerships, and increase public and financial support. The collective strength of the region can be fully realized only when Metropolitan aligns member agencies along advocacy goals and targets.
- Joint communications strategies can reduce conflicting messages, promote greater understanding about the value of water and help distinguish the trends of climate from individual weather events, even when member agencies are experiencing different circumstances and conditions.
- Deepen connections and understanding between Board Members and member agencies by focusing on interests and needs and learning new tools for cultivating empathy and improving inter-agency communication.

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We will do so through an inclusive and iterative process, in close consultation with our member agencies and reaching out to the many interested parties and affected communities. The Subcommittee on Long-Term Regional Planning & Business Modeling will provide a ~~forum~~ reporting and organizing structure to ensure progress as described below.

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02/27/23 (post retreat version)



In preparing future discussions and proposals, staff will work to provide the data and analyses as requested and necessary to support the Board, ~~its vice chairs and the Subcommittee chair to prepare next steps and to consider retreat feedback process and will incorporate the following guidance in the master planning process, including the following.~~ This is not an exhaustive or exclusive list, but rather one that highlights points raised during the retreat that held widespread interest:

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