

Reflecting Board Comments as incorporated by VC Chair Goldberg

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 affordable, equitable and resilient water future. Findings shared at the retreat from over 60 interviews of Board Members and member agency managers provide a first step 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 we serve. 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 with the plans of its member agencies 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.
- Define for Metropolitan and its member agencies what reliability, resiliency, financial sustainability, and affordability mean.
- Reach initial consensus on clear and explicit goals for Metropolitan's reliability, resiliency, financial stability, and affordability.
- Ensure regional connectivity so that all agencies are able to leverage the region's resources and share in the benefits as well as the risks.

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- Focus water planning first on near-term needs such as facilities to serve State Water Project Dependent Area and then on long-term regional objectives, reflecting the responsibility of Metropolitan as a regional entity, consistent with the planning and choices of its 26 member agencies.
- Develop criteria for prioritizing “no regrets” investments for climate resilience, as long-term investments are identified by the board’s strategic planning effort.
- Measure and report progress as the Climate Adaptation Master Plan proceeds.
- 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 will use the following working definition of resilience for climate change planning purposes, consistent with that of the State of California Governor’s Office of Planning and Research, and will further define it in the context of the board’s strategic planning:

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 vice chair for finance and planning recommends that an important next step is another board retreat, to be held as part of the March 28 board meeting, with the objective that all board members have an opportunity to develop empathy and understanding for each other and understanding the 04/07/23 (post retreat version – with add’l board input added)

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varying needs of our respective member agencies to ensure the process is inclusive of their needs from the outset. It is essential to have buy-in from the full board before issues are assigned for further development to working committees.

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 choices, but also financial, risk, environmental, and community impact analyses.
- Future investments need to prioritize fixing conveyance infrastructure deficiencies to eliminate SWPDA as previously approved by board.
- Affordability (for underserved communities and all member agency ratepayers), cost impacts, equitable allocation of costs and benefits, and the return on investments are critical to inform water resource and investment choices.
- Metropolitan should secure and leverage state and federal funding and the associated partnerships.
- 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 starting point to work with member agencies to develop a baseline against which evaluate existing project commitments and prospective proposals and remain updated with existing and appropriately projected member agency supplies as well as emerging efficiency

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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 must protect the entire Metropolitan service area.
- 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, especially for smaller member agencies that may need and request Metropolitan participation.
- Metropolitan should provide leadership and support innovation to achieve resilient solutions.
- Groundwater and storage opportunities can be facilitated and optimized through greater integration, maximizing 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, increase public and financial support, and affirm willingness to pay for Metropolitan programs and projects.
- 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

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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.

Note: This document will be used as reference for Long Term Regional Planning and Business Modeling Subcommittee to assure that the planning process for development of Climate Adaptation Action Plan includes all of the identified discussion points. Input from Member Agency General Managers is attached.