

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

SUBCOMMITTEE ON LONG-TERM REGIONAL PLANNING PROCESSES AND BUSINESS MODELING

February 29, 2024

Chair Petersen called the meeting to order at 1:32 p.m.

Members present: Directors Erdman (AB2449 “just cause”), Faessel (teleconference posted location), Fong-Sakai (teleconference posted location), Gualtieri, McMillan (teleconference posted location), Petersen, Quinn, Seckel, and Sutley (entered after roll call).

Members absent: Directors Alvarez and Armstrong.

Other Board Members present: Directors Bryant, Fellow (teleconference posted location), Garza, Jung (teleconference posted location), Lefevre (teleconference posted location), Miller (teleconference posted location), Morris, and Peterson (teleconference posted location)

Committee Staff present: Crosson, Kasaine, Quilizapa, and Salgado.

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE
COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

Darcy Burke distributed Elsinore Valley Municipal Water District letter dated February 7, 2024. This item will be made part of the record.

CONSENT CALENDAR ITEMS -- ACTION

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Subcommittee on Long-Term Regional Planning Processes and Business Modeling for January 18, 2024 (Copies have been submitted to each Director, Any additions, corrections, or omissions)

Director Seckel made a motion, seconded by Director Quinn, to approve the consent calendar consisting of item 2A.

The vote was:

Ayes: Directors Erdman, Faessel, Fong-Sakai, McMillan, Petersen, Quinn, Seckel, and Sutley.

Noes: None

Abstentions: Director Gualtieri

Absent: Directors Alvarez and Armstrong

The motion for Item 2A passed by a vote of 8 ayes, 0 noes, 1 abstain, and 2 absent.

END OF CONSENT CALENDAR ITEMS

3. SUBCOMMITTEE ITEMS - CAMP4W TASK FORCE

- a. Subject: Task Force Discussion

Cesar Barrera, City of Santa Ana
Nina Jazmadarian, Foothill Municipal Water District
Shivaji Deshmukh, Inland Empire Utilities Agency
Dave Pedersen, Las Virgenes Municipal Water District
Anatole Falagan, Long Beach Water Department
Anselmo Collins, Los Angeles Department of Water and Power
Harvey De La Torre, Municipal Water District of Orange County
Dan Denham, San Diego County Water Authority
Anthony Goff, Calleguas Municipal Water District
Tom Love, Upper San Gabriel Valley Municipal Water District
Craig Miller, Western Municipal Water District
Joe Mouawad, Eastern Municipal Water District
Stacie Takeguchi, Pasadena Water and Power

Presented by: No presentation was given.

Task Force Members present: Member Agency Manager Members Barrera, Denham, Collins, De La Torre, Deshmukh, Falagan, Jazmadarian, Litchfield, Love, Miller, Mouawad, Pedersen, Rojas, and Takeguchi.

- b. Subject: Review Climate Adaptation Master Plan for Water Time-Bound Targets
Presented by: Elizabeth Crosson, Chief Sustainability, Resilience, and Innovation Officer

Ms. Crosson presented the committee with an overview of the Climate Adaptation Master Plan for Water Time-Bound Targets. Her presentation included a process that will establish a focus on the development and use of Time-Bound Targets and provide an overview of how they integrate into the Climate Adaptation Master Plan for Water process.

The following Directors and Member Agency Managers asked questions and provided comments:

1. Petersen
2. Pedersen
3. Peterson
4. Fong-Sakai
5. Falagan
6. Miller
7. Sutley
8. Takeguchi

9. Love
10. Mouawad
11. De La Torre
12. Deshmukh
13. Seckel
14. Quinn

Staff responded to Directors' and Member Agency Managers comments and questions.

c. Subject: Update on Member Agency Dashboard with Climate Projections

Presented by Demetri Polyzos, Water Resource Management Section Manager
Jennifer Coryell, Hazen and Sawyer

Ms. Crosson introduced Demetri Polyzos and Jennifer Coryell (Hazen and Sawyer) to present to the committee an update of the Member Agency Dashboard with Climate Projections forthcoming updates and climate future projections. The beta dashboard is available to Joint Task Force Members, Board Members, and Member Agency Managers.

The following Directors and Member Agency Managers asked questions and provided comments:

1. Seckel
2. Fong-Sakai
3. Mouawad

Staff responded to Directors' and Member Agency Managers comments and questions.

4. FOLLOW-UP ITEMS

Ms. Crosson requested the committee for additional written comments for the Time-Bound Targets by March 13, 2024.

5. FUTURE AGENDA ITEMS

None

6. ADJOURNMENT

The next meeting will be held on March 18, 2024.

The meeting adjourned at 4:22 p.m.

Matt Petersen
Chair

**BOARD OF DIRECTORS**

Chance Edmondson, President
Harvey R. Ryan, Vice President

Jack T. Ferguson, Treasurer
Darcy M. Burke, Director
Andy Morris, Director

GENERAL MANAGER**LEGAL COUNSEL****DISTRICT SECRETARY**

Greg Thomas

Best, Best & Krieger

Christy Gonzalez, Acting

February 7, 2024

ELECTRONIC MAIL

Chairman Adán Ortega
Metropolitan Water District of Southern California
700 N. Alameda Street
Los Angeles, CA 90012

SUBJECT: CLIMATE ADAPTATION MANAGEMENT PLAN FOR WATER (CAMP4H2O)

Dear Chairman Ortega:

We appreciate the opportunity to provide CAMP4H2O comments and process inputs. We appreciate the transparent process and inclusiveness at all levels of Metropolitan. For background, Elsinore Valley Municipal Water District (EVMWD) is a public water agency providing water, wastewater, and recycled water services to a population of approximately 170,000 in south-western Riverside County, with one third of our customers in disadvantaged communities. EVMWD is a retail agency served by the Western Municipal Water District, a Metropolitan Water District of Southern California Member Agency. Approximately thirty-five percent of our drinking water supply is obtained from EVMWD's own local groundwater and surface water sources, with the remainder being imported through Western Water from Metropolitan.

Thank you for embarking on this extremely important endeavor, as southern California, the state, as well as good portion of the western United States continue to deal with climate stresses and changing weather patterns. The last fifteen-years have been marked by record rains and snow as well as multi-year dry spells, forcing water systems and water managers to respond to these events with antiquated planning tools, science, and aging infrastructure. We believe that it will take a variety of projects and some policy changes, to ensure all Californians, agriculture, and the environment have enough water so life can flourish. For EVMWD, this is why your Climate Adaptation Management Plan for Water (CAMP4H2O) efforts are both necessary and timely. Your Board Committee structure and the use of a Task Force specifically are key to developing a comprehensive, regionally accepted plan, and moving that effort forward.

Time Bound Targets

We respectfully submit the following comments for your consideration, specifically the plan criteria and evaluation options. First and foremost, the primary focus of this plan should be on water supply and water quality, including source water protection, water quality, treatment, and delivery in a dynamic and unpredictable climate. As noted previously, we are

experiencing climate whiplash, and given these uncertainties, along with Metropolitan's mission, our primary focus should be on delivering safe, reliable, resilient, adaptable, affordable, and equitable water supplies, regardless of conditions. Though the other Time Bound Targets, both Resource-Based and Policy-Based, are important, they are secondary. When the Board focuses on these four main attributes (Reliability, Resilience, Financial Sustainability & Affordability, as well as Increased Adaptability & Flexibility), Equity and Environmental Co-benefits will be accomplished.

Category 3 - We did not see any significant difference between the short-term and long-term local supply production targets. It would be anticipated that the long-term goals would continue to increase. Additionally, how were these numbers determined? What would Metropolitan's role be related to local agency supply creation? Example, if a retail agency moved forward with indirect or direct potable reuse from their local reclamation facility, or even desalination, whether from ocean or brackish, what would Metropolitan's role be in that effort and how could you count that as a short or long-term target? Perhaps reference local agency planning documents for specific targets and incorporate.

Category 7 - Water quality is our top priority. As it related to resource-based targets, we suggest this be a system improvements target. Nitrification issues specifically were called out which relate to flow and source water quality. System improvements address both of those issues.

Time Bound Resource Targets Recommendations

| No. | Category | Near-term | Mid-term | Long-term |
|------------------|----------------------------|--|--|--|
| 1 | Core Supply | No Change | No Change | No Change |
| 2 | Storage | No Change | No Change | No Change |
| 3 & 8 | Local Supply & Productions | Please refer to planning documents such as UWMPs and IRPs | Please refer to planning documents such as UWMPs and IRPs | Please refer to planning documents such as UWMPs and IRPs |
| 4 | Flexible Supply | Clarify this is not accumulative numbers | Clarify this is not accumulative numbers | Clarify this is not accumulative numbers |
| 6 & 7 | System Improvements | No Change to existing content; consider additional issues that system improvements would address | No Change to existing content; consider additional issues that system improvements would address | No Change to existing content; consider additional issues that system improvements would address |

Category 8 - would recommend deleting this category, as it seems to be the same as Category 3. What is the difference between these two categories? Wouldn't local agency new supply development amounts be accounted for in overall regional supply? Again, Category 3 seems to capture this effort.

Categories 10-14 – First, these four categories are retail agency related, thus how would Metropolitan measure this or even need to track? Agencies are already overly burdened with State Water Resources Control Board and other state/federal agencies reporting requirements; this would be a duplication and unnecessary demand. Our recommendation would be to combine these into one category such as Conservation/Water Use Efficiency and set a specific water-savings goal amount in Acre-feet (i.e., 20,000 AFY), and then define that Key Performance Indicator (KPI) total by each term (ST, MT, LT). That would track as Member Agencies inform Metropolitan of their future-year demands based on efficiency investments. Also, some agencies like those in the Inland Empire are continuing to grow, and some conservation investments would be offset by new homes construction. These four categories reside with your Member Agencies, or more specifically, with their **retail** agencies. Additionally, a variety of conservation standards may change at the state level, which would require continuous adjustments on targets, so using a target goal of meeting 100% compliance with SWRCB standards is not a measurable KPI. Water-use efficiency is a retail agency requirement (there are no wholesaler requirements in any of the proposed conservation standards), and similar to Metropolitan programs sponsored/supported in the past, we recommend Metropolitan provide retail agencies water-use efficiency program implementation funding, based on their unique demographic or local needs, as it makes fiscal and financial sense. By determining these targets in regional Acre Feet, an apples-to-apples financial comparison can be provided to other resource investments. For example, is it more cost effective to build local storage than to invest in additional water conservation programs where the local customers have hardened their water use demands? By keeping the KPI consistent, better financial investment comparisons can be made.

Category 15 – this is a very ambitious goal. Is Metropolitan planning on building solar or green energy plants to reach this goal or support alternative clean energy sources such as nuclear energy, hydrogen, or even continuation of clean, gas-fired energy generation, as this is the most reliable energy? A diversified, reliable, and affordable energy portfolio will be required that can power Metropolitan needs now and well into the future. This may also be very expensive in the short term so finding funding offsets will be important.

Category 16 – where does the Colorado River fit into this, as there is no mention of it? The Colorado River is a stressed system, however, still one of Metropolitans' vital supply sources. Please continue to invest or at least consider intentional storage or other similar projects or programs.

Category 17 - This is a very nebulous target. We support goals of using local resources to the maximum extent, as well as improving the lives of disadvantaged and low-income, customers, and have developed our own programs to make sure no one falls through the cracks. The Diamond Valley Lake (DVL) project is a great example of local community investment where a designated percentage of resources were purchased locally, labor was sourced locally, and the community benefitted. Using this as a model, policy should be developed that supports workforce development, local businesses, education, water use efficiency programs,

environmental health, and overall community investments. DVL was a great community equity model and could be replicated.

Categories 18 and 19 – Metropolitan needs to focus on investing in their systems, especially when it comes to water quality. System reliability and operational efficiency impacts reliability, resiliency, public health as well as our most vulnerable customers. Why are there no mid-term or long-term goals? Is the intent that the short-term targets continue through mid and long-term?

Time Bound Policy Targets Recommendations

| No. | Category | Near-term | Mid-term | Long-term |
|--------------------|--|---|--|---|
| 3 & 8 | Local Supply & Productions | Please refer to planning documents such as UWMPs and IRPs | Please refer to planning documents such as UWMPs and IRPs | Please refer to planning documents such as UWMPs and IRPs |
| 10-14 | Water Use Efficiency, Landscape Efficiency GPCD, Non-Functional Turf | Should be combined into one category and clearly defined in Acre Ft as a REGIONAL Goal | Should be combined into one category and clearly defined in Acre Ft as a REGIONAL Goal | Should be combined into one category and clearly defined in Acre Ft as a REGIONAL Goal |
| 15 | GHG Reductions | Identify Clean Energy Portfolio options and potential funding sources | Develop Clean Energy Portfolio options and continue to seek potential funding sources | Develop Clean Energy Portfolio options and continue to seek potential funding sources |
| 16 | Imported Water Resilience | Add Colorado River improvements, investments, partnerships, and programs | Add Colorado River improvements, investments, partnerships, and programs | Add Colorado River improvements, investments, partnerships, and programs |
| 17 | Community Equity | Develop policy based on the DVL Project model where local community investment resulted in improved community economic benefit. | Implement policy based on the DVL Project model where local community investment results in improved disadvantaged and community economic benefit. | Expand the community investment policy based on the DVL Project model where local community investment results in improved regional economic benefit. |
| 18 & 19 | Water System Resilience | No Change | Please define Specific, Measurable, Achievable, Reasonable, Timely Goals (SMART) | Please define Specific, Measurable, Achievable, Reasonable, Timely Goals (SMART) |

As far as the Evaluative Criteria Scoring Options listed on slide 18 of the January 18, 2024, presentation, we recommend the following:

- Move public health benefits as Scoring Matrix 3 that is currently under Equity to Reliability. Public Health for all of Metropolitan’s entire customer base should be the number one priority, along with providing reliable and resilient water supply, which is why public health benefits fits better under Reliability.
- Equity and Environmental Co-benefits Criteria to be weighted as 10 points each.
- Reliability would be weighted at 25 points; and
- Financial Sustainability and Affordability weighted at 20 points. Making water affordable for ALL customers ultimately supports equity.

Evaluative Criteria Scoring Recommendations

| Evaluative Criteria | Score | Scoring Metric 1 | Scoring Metric 2 | Scoring Metric 3 | Scoring Metric 4 |
|---|-------|---|---|---|-----------------------|
| Reliability | 25 | Advances Supply Reliability | Consistency in various hydrological conditions | Public Health Benefits | |
| Resilience | 20 | Increases Existing Infrastructure/ Water Source Resilience | Project’s Ability to Withstand Climate Impacts | Addresses an Identified Climate Vulnerability | |
| Financial Sustainability & Affordability | 20 | Financial Leverage | Unit Cost | | |
| Adaptability & Flexibility | 15 | Increases flexibility of existing assets | Operational ease and complexity of implementation | Average Annual Rate Impact | |
| Equity | 10 | Measurable Economic benefit for Underserved Communities (DVL model) | Community engagement Scale | Scalability | Workforce Development |
| Environmental Co-Benefits | 10 | Greenhouse Gas Emissions Benefits | Ecosystem Services | Habitat/Wildlife Benefits | |

Finally, given Climate Adaptation Management planning complexity, there appears to be a disconnect between sustainability efforts and water resources. We respectfully recommend

this effort be more collaborative at the staff level by **actively engaging** Metropolitan's recognized and industry-admired Water Resources and Planning Department, Water Quality, Operations, and Legal. All of Metropolitan's member agencies, and their sub-retail agencies, create and/or submit a multitude of plans (Urban Water Management Plan, Water and Wastewater Master Plans, Integrated Resources Plans, etc.) that provide very detailed analysis and projections of water demands and how the demands will be met. These projections get rolled up to Metropolitan, and thus regional demand forecasts are developed. Metropolitan has historically provided the gap between local supply and projected regional demand. From the outside looking in, these targets and related evaluative criteria did not include the experience, information, and expertise from your highly-regarded water-related staff. As Metropolitan wrestles with the Time-Bound Target and Resource-Based Targets matrices, the various categories listed, and their associated short, mid, and long-term targets being developed, this expertise is invaluable.

Thank you for allowing us to provide these comments and input to the planning effort. We have confidence that Metropolitan will consider these comments, adjust the plan accordingly noting the primary focus on water supply reliability, resilience, and affordability. We believe collectively these will enable the economy to thrive, ensure food security and availability as well as build resiliency for future generations just as those that came before us did for us today.

Sincerely,



Darcy M. Burke
Board Director



Greg Thomas
General Manager

DB/GT/se