Subcommittee on Long-Term Regional Planning Processes and Business Modeling

CAMP4W Task Force – Refined Evaluative Criteria Approach and Member Agency Feedback

Item 3b

August 28, 2024

August 28 CAMP4W Task Force

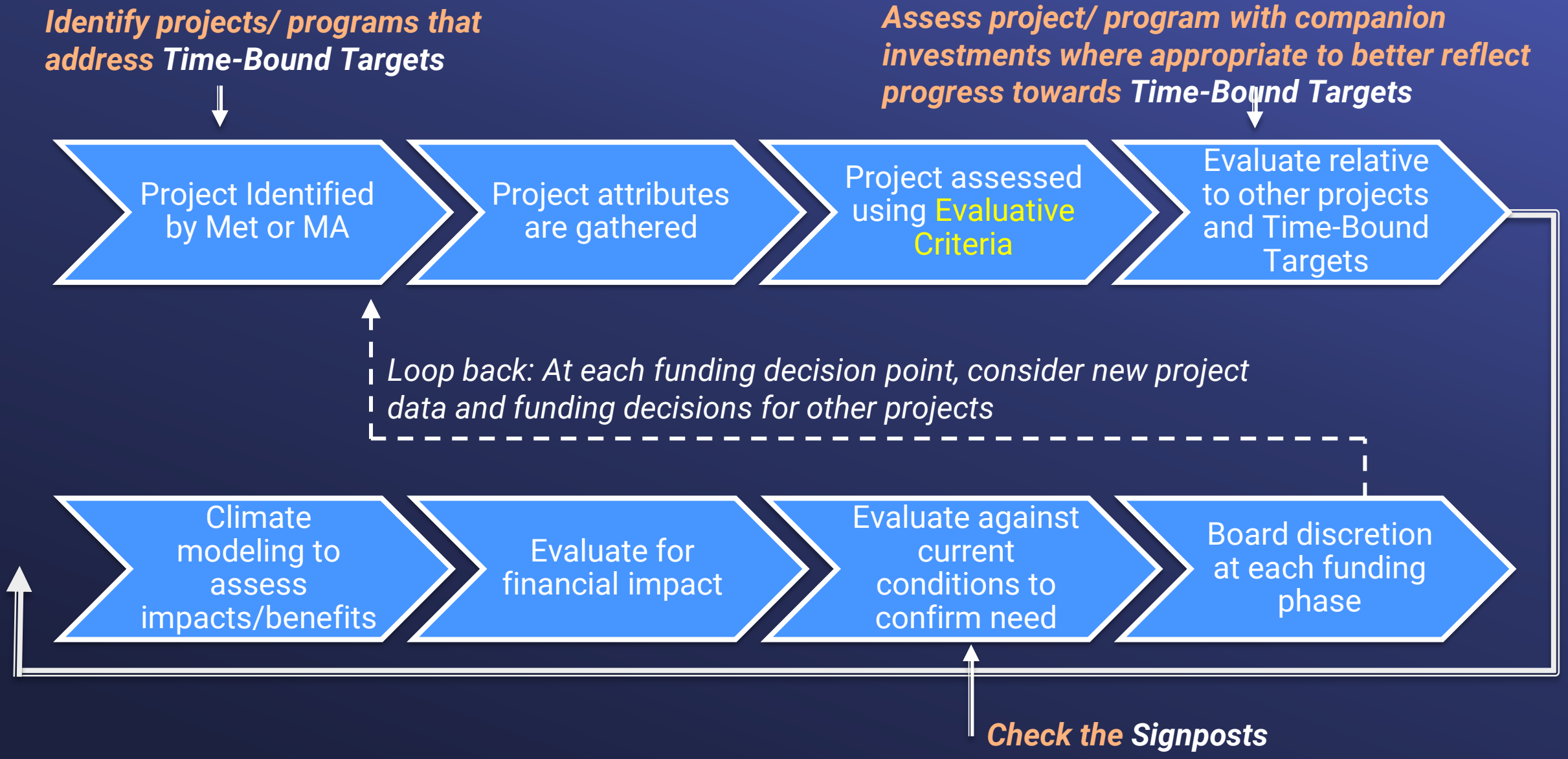
Evaluative Criteria and Member Agency Feedback

Presentation Outline

- ✓ Evaluative Criteria Evolution
  - Decision-Making Framework Background and Role of Evaluative Criteria
  - Establishment of Criteria Categories
- ✓ Initial Scoring Methodology
  - Member Agency Managers August 8 Meeting Feedback
  - Metropolitan Response to Feedback
- ✓ Revised Project Assessment Approach
  - Provide Comprehensive Assessment Instead of Project Scores
- ✓ Next Steps

Evaluative Criteria Evolution

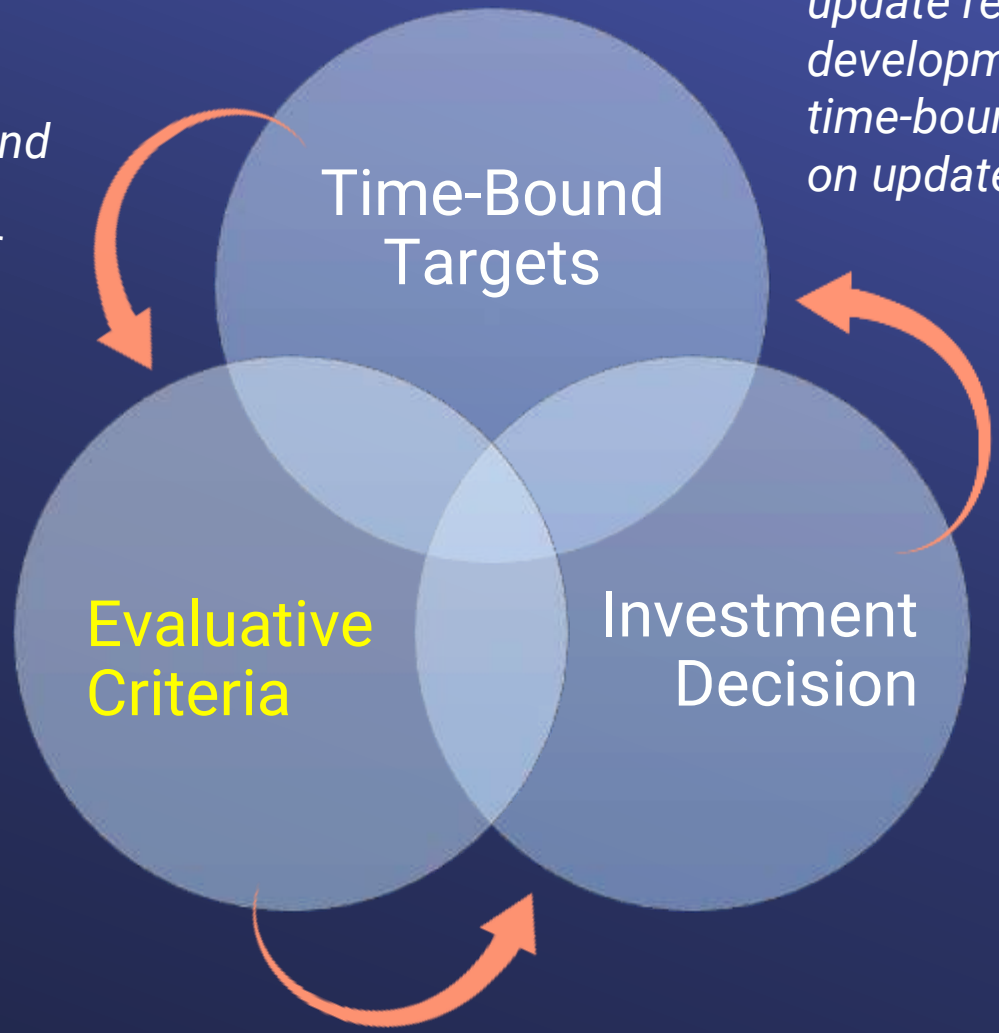
Use of Evaluative Criteria within the Climate Decision-Making Process



Evaluative Criteria Plays an Informative Role in Decision-Making Process

Time-Bound Targets guide project development and inform assessment of projects and programs

Adaptive Management: update resource development needs and time-bound targets based on updated projections

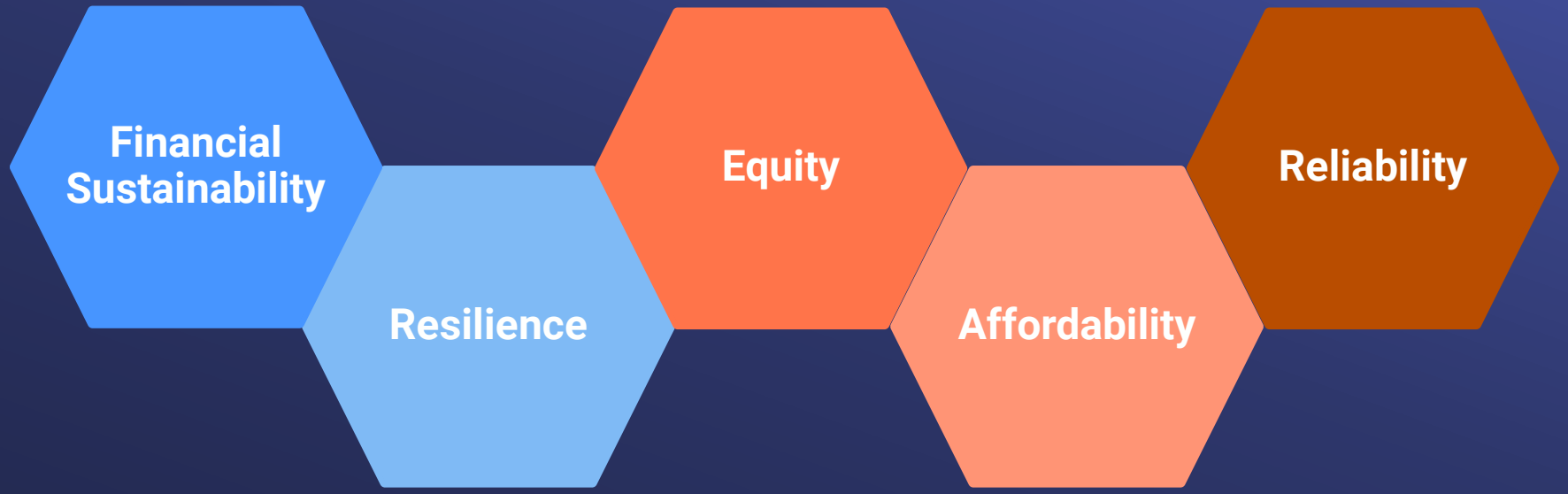


Assessments and Time-Bound Targets inform decision-making

CAMP4W
Climate Adaptation Master Plan for Water

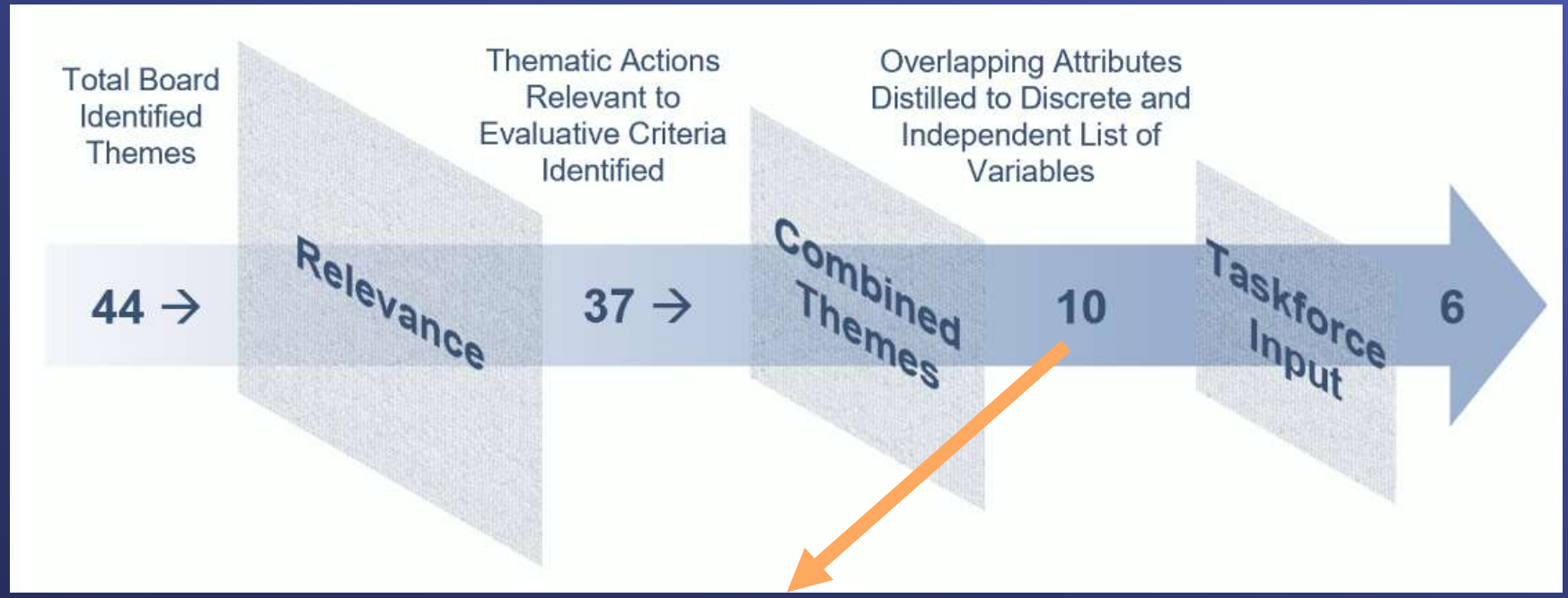
Integrating Board Priorities

Working Memo 2 summarizes the process by which the Board priorities were captured and translated into draft Evaluative Criteria



Initial Draft Evaluative Criteria

Process of incorporating Board Themes into Draft Evaluative Criteria



Initial Draft Evaluative Criteria

Equitable Supply Reliability	Risk Mitigation	Project Feasibility	Scaleability	Environmental Impact
Disadvantaged Community Benefit	Unit Cost/TAF	Locally-Sited Project	High Impact	Bond Feasibility

CAMP4W Climate Adaptation Master Plan for Water

Revisions based on Input

Initial Draft Evaluative Criteria were revised based on comments received from member agencies and Board Members

- Equitable Supply Reliability was revised to **Reliability**.
- The proposed Evaluative Criteria of **Resilience** incorporates Risk Mitigation and some benefits associated with a Locally-Sited Project.
- The financial metrics of Unit Cost/TAF and Bond Feasibility were combined into **Financial Sustainability and Affordability**.
- Increased **Adaptability and Flexibility** combines Project Feasibility and Scalability.
- Environmental Impact was revised to **Environmental Co-Benefits**.
- **Equity** encompasses Disadvantaged Community Benefit and other equity considerations.
- High Impact was omitted, to be addressed through the setting of Time-Bound Targets.

CAMP4W
Climate Adaptation Master Plan for Water

Initial Approach Focused on a Scoring Methodology

Evaluative Criteria Objectives

Defined in the CAMP4W Year One progress Report

"Evaluative Criteria and the scoring process will consist of quantifiable, meaningful, and measurable metrics. This approach supports a **data-driven evaluation process** for projects and programs."

Evaluative Criteria & Attributes from Year 1 Report

Attributes:
- Supply performance
- Equitable reliability

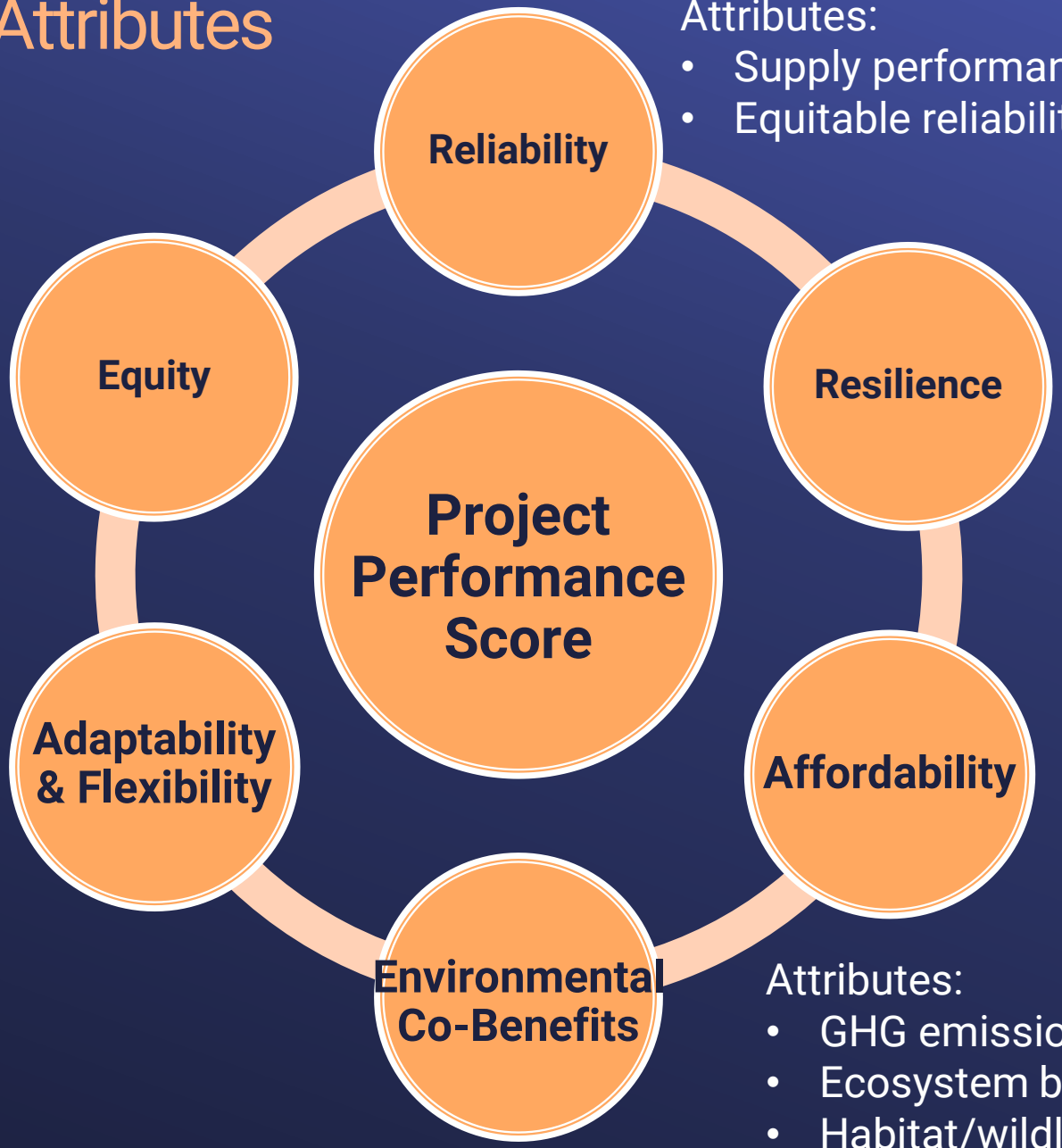
Attributes:
- Address known vulnerability
- Project's ability to perform under climate impacts

Attributes:
- Unit cost

Attributes:
- GHG emissions
- Ecosystem benefits
- Habitat/wildlife benefit

Attributes:
- Flexibility of existing assets
- Ease/Complexity
- Scalability

Attributes:
- Programs for underserved communities
- Scale of community engagement
- Public health benefits
- Workforce development



Draft Evaluative Criteria Scoring Metrics Presented to Member Agencies on August 8

Evaluative Criteria	Proposed Scoring Metrics to Produce a Total Project Score
Reliability	1a: Reduction in % of shortage in the entire service area at the target time 1b. Reduction in % of shortage in the SWPDA at the target time
Resilience	2a: Addressing recommendations and priorities in Hazard Mitigation Plan & Climate Vulnerability and Risk Assessment 2b. Level of compliance to Envision Standards
Affordability	Unit Cost (not part of proposed composite score)
Adaptability & Flexibility	4a: Improvement in ability to adjust to systemwide changes (water quality, source water, distribution interruption) 4b. Ease of operations (Staffing, maintenance, preparation) 4c. Ease of implementation (site conditions; ROW) 4d. Scalability (initial v total investment)
Environmental Co-Benefits	5a: Envision score on GHG emissions 5b: Envision score on resource consumption 5c: Envision score on conservation, ecology, and siting
Equity	6a: Ratio of DAC population in the project area 6b: Envision standards to gauge community engagement 6c: Quantification of community benefits

Summary of Member Agency Feedback on Draft Scoring Metrics

- Proposed scoring metrics are overly complicated and difficult to implement, and one single composite score could mask unique attributes of each project
- The proposed scoring metrics are too narrow and do not adequately represent the breadth of attributes discussed
- While Envision may be a useful certification system, it is unnecessarily complicated as proposed
- Concerned about how this would apply to projects still in development or complementary projects
- Reliability should remain paramount
- Example project scoring underscores issues expressed above

CAMP4W
Climate Adaptation Master Plan for Water

Integrating Feedback to Date

Revised Approach Focuses on Comprehensive Project Assessment

Providing a Comprehensive Assessment

Proposed Rubric Includes Quantitative and Qualitative Measures

Evaluative Criteria
Reliability
Resilience
Adaptability & Flexibility
Affordability
Environmental Co-Benefits
Equity

Each **Project** or **Program** would be considered through a robust narrative description of how project attributes achieve each objective

Descriptions could include:

- ✓ Quantitative metrics
- ✓ Qualitative information
- ✓ Gaps in information available

Reliability

Blending quantitative and qualitative information to produce a comprehensive assessment

Reliability Attributes	Source/Type Data
Does it advance equitable supply reliability?	1) IRPSIM 2) Historical drought sequence data 3) Qualitative description of reliability attributes and/or limitations
Does it help meet supply reliability objectives based upon Average and Dry Year conditions?	
How reliable is the source of the supply in projected climate conditions?	
What are the potential portfolio benefits (e.g., how does it perform alone, with another project, or only with the other project)?	

Resilience

Blending quantitative and qualitative information to produce a comprehensive assessment

Resilience Attributes	Source/Type Data
Does it address an identified climate vulnerability (e.g., extreme heat, wildfire, sea level rise, atmospheric rivers, runoff shifts)?	1) IRPSIM 2) Consider link to existing planning processes including system reliability, vulnerability, and flexibility assessments 3) Consider industry infrastructure standards for climate resilience and water quality implications 4) Consider Federal and State drinking water standards and total dissolved solids reductions 5) Qualitative description of resilience attributes and/or limitations
Will it continue to operate and perform under various climate change conditions, including potential compounding impacts?	
Does it improve resilience to other hazards, such as earthquakes?	
Does it address water quality considerations?	

Financial Sustainability and Affordability

Blending quantitative and qualitative information to produce a comprehensive assessment

Affordability Attributes	Source/Type Data
What is the average annual rate impact?	1) Project Costs (capital, O&M, life cycle, net present value) 2) LRFP Needs Assessment 3) Qualitative description of potential funding opportunities and/or additional project partners 4) Benefit / cost analysis
Is the project eligible for federal and/or state grants or other funding sources or partners? If so, what are the estimated target amount(s)? Is there a local match requirement? If so, how much?	
If applicable, what is the unit cost/af (gross and net)? For storage projects, what is the cost/capacity and cost/net yield?	
Does considering life cycle cost change the overall financial impact?	
Can the project be funded by tax-exempt bonds?	

Adaptability and Flexibility

Blending quantitative and qualitative information to produce a comprehensive assessment

Adaptability / Flexibility Attributes	Source/Type Data
Does it work with and/or improve the flexibility of existing assets?	1. Quantitative and qualitative description of potential added system operational flexibility (redundancy, water quality, etc.) and implementation complexity and risks (ROW, timing, partners, etc.) 2. Quantitative and qualitative description of scalability (cost, benefits, impacts) 3. Qualitative description of impact on day-to-day operations 4. Ability to adapt to uncertainties and sustain a specified performance across changing conditions (e.g., demand, legislation, energy costs)
Can the project be phased?	
How complex are the day-to-day operations?	
What is the implementation risk and/or complexity of implementation?	

Environmental Co-Benefits

Blending quantitative and qualitative information to produce a comprehensive assessment

*Feedback from 8/13 GM Environmental Listening Session in Green

Environmental Attributes	Source/Type Data
Is it consistent with the Climate Action Plan based on estimated greenhouse gas emissions or enhanced carbon sequestration?	1) GHG and pollutant load estimates 2) Qualitative description of ecosystem services and ecological functions provided 3) Consider using tool to measure / monetize co-benefits where appropriate 4) Acreage land impacted; Acre-feet of water provided
Does it provide additional ecosystem services **and promote ecological functions**, such as water quality, soil health, biodiversity, urban heat island reduction, **flooding reduction, watershed protection, restoration, carbon sequestration** etc.?	
Does it protect, improve, or expand wildlife and fish habitat **and/or affect flows in ways that improve ecological functions for native species?**	
Does it provide new public green space and/or reduce impervious surface?	

Equity

Blending quantitative and qualitative information to produce a comprehensive assessment

*Feedback from 8/13 GM Environmental Listening Session in Green

Equity Attributes	Source/Type Data
To what scale does it directly or indirectly benefit underserved communities while enhancing Metropolitan's services?	1) % of project in CalEnviro Screen community 2) Qualitative description of level of community, tribal and partner engagement 3) Qualitative description of direct community benefits associated with project/program 4) Consider using tool to measure / monetize co-benefits where appropriate 5) Scope of Community Benefits Program proposed
What level of community, tribal, partner engagement is included in the project or program?	
Is there broad community support or potential for support?	
Are specific community benefits such as workforce opportunities, localized resilience, public health, and quality of life measures incorporated?	

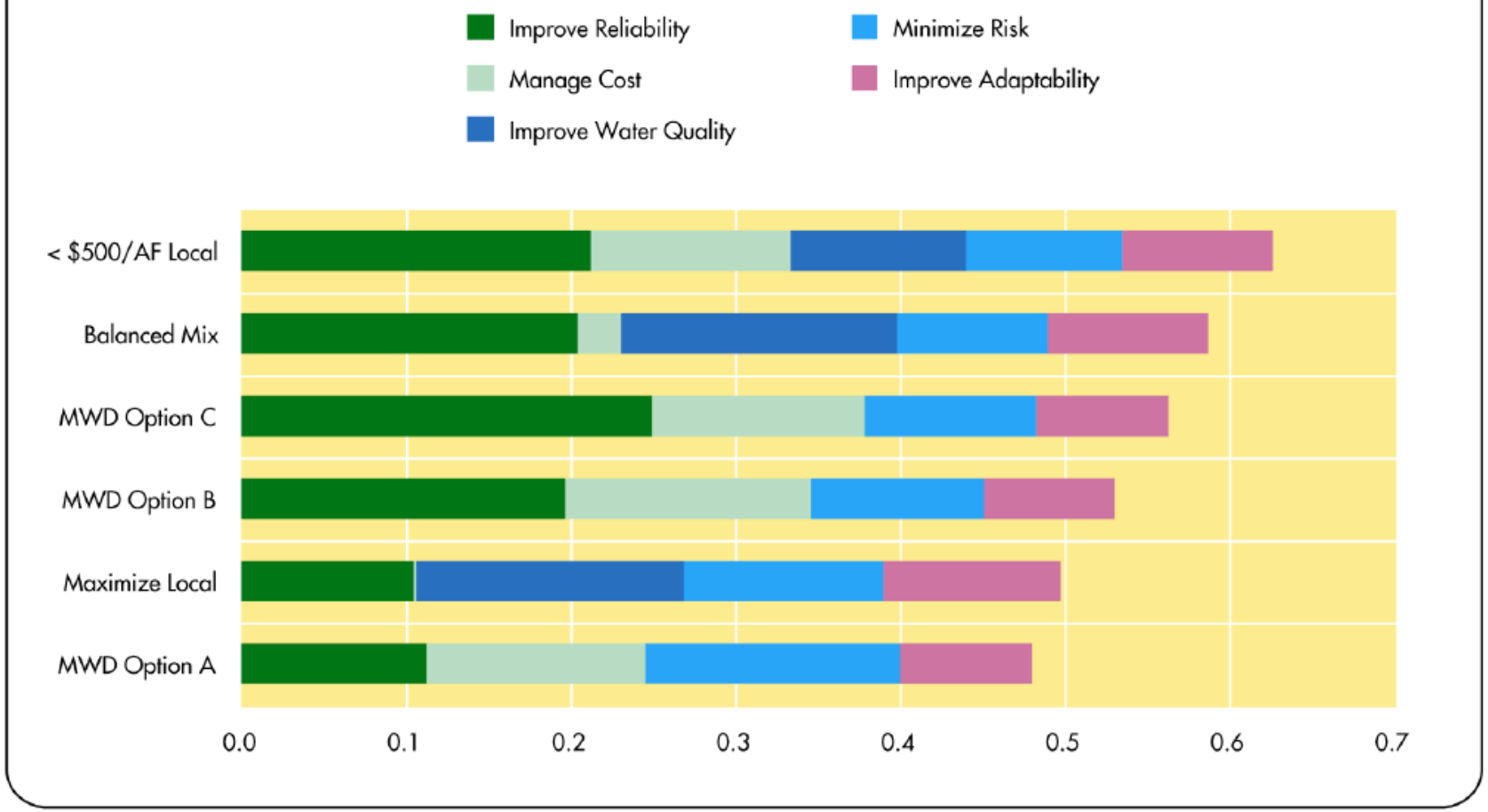
Examples of Past Metropolitan Processes

Example 1: Pipeline Alignment Selection Evaluative Criteria

Alignment Selection Evaluative Criteria								
	Criteria 1	Criteria 2	Criteria 3	Criteria 4	Criteria 5	Criteria 6	Criteria 7	Criteria 8
alignment 1							N/A	N/A
alignment 2							N/A	
alignment 3							N/A	
alignment 4								
alignment 5								
alignment 6								

Example 2: IAS Methodology

Figure ES-1 Portfolio Rankings Based on Riverside/San Diego Objective Weights



Providing a Comprehensive Assessment

Proposed Rubric Includes Quantitative and Qualitative Measures

Evaluative Criteria
Reliability
Resilience
Adaptability & Flexibility
Affordability
Environmental Co-Benefits
Equity

Each **Project** or **Program** would be considered through a robust narrative description of how project attributes achieve each objective

Descriptions could include:

- ✓ Quantitative metrics
- ✓ Qualitative information
- ✓ Gaps in information available

Next Steps for Evaluative Criteria Development and Finalizing the Climate Decision-Making Framework

Seek Direction on Overall Approach	Seek Additional Feedback from Member Agencies and other Partners	Discuss Proposed Approach	Finalize Climate Decision-Making Framework
CAMP4W Task Force August	*August - November*	*CAMP4W Task Force September*	*CAMP4W Task Force November*


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928