



- Board of Directors
Engineering and Operations Committee

5/10/2022 Board Meeting

7-2

Subject

Certify the Final Program Environmental Impact Report for the Climate Action Plan and take related CEQA actions; adopt the Climate Action Plan; and authorize an increase of \$1.2 million to an agreement with Rincon Consultants, Inc. for a new not-to-exceed total of \$2.2 million for Climate Action Plan implementation support

Executive Summary

The Metropolitan Water District of Southern California Climate Action Plan (CAP) is a comprehensive programmatic document that identifies energy and greenhouse gas (GHG) reduction actions from past, current, and future programs to reduce our carbon footprint in the face of climate change and to offset GHG emissions from future projects, such as the proposed Regional Recycled Water Program. The CAP would streamline California Environmental Quality Act (CEQA) GHG analysis and substantially reduce costs to Metropolitan resulting from project-by-project mitigation for GHG impacts. This action certifies the Final Program Environmental Impact Report (PEIR) for the CAP, adopts the CAP, and provides funding for implementation of the CAP program.

Details

Background

The Global Warming Solutions Act of 2006 (Assembly Bill 32) established a statewide target to reduce GHG emissions to 1990 levels by the year 2020. In 2016, Governor Jerry Brown signed Senate Bill (SB) 32, which furthered California's efforts to reduce climate change impacts by establishing a new, more stringent GHG reduction target of 40 percent below 1990 levels by the year 2030. In response to SB 32, the California Air Resources Board developed California's 2017 Climate Change Scoping Plan (Scoping Plan), which charts a path to the 2030 target. Since the release of the Scoping Plan in 2017, Governor Brown has signed Executive Order (EO) B-55-18, which set an even more aggressive goal of carbon neutrality by 2045.

A CAP is a comprehensive program that streamlines CEQA GHG impact analysis and reduces mitigation costs associated with impacts resulting from future projects. A CAP allows Metropolitan to obtain multiple benefits from existing water and energy conservation programs, capturing GHG savings from programs such as turf removal, solar power, hydroelectric plants, rideshare, and electric vehicle charging. The CAP also provides Metropolitan with an opportunity to demonstrate its longstanding and continuing commitment to environmental stewardship in California, and to participate in the global effort to curtail climate change. The CAP will also serve as a launching pad for Metropolitan's new Sustainability, Resiliency and Innovation Office, which will lead CAP implementation and identify the next steps for this effort.

Metropolitan's Board of Directors authorized the development of a CAP in October 2018. In November 2019, staff provided an oral report on Metropolitan's past and current emissions profile, as well as a forecast of future emissions. In March 2020, staff provided an oral report on a recommended emissions quantification and tracking protocol that will meet the needs of Metropolitan, meet local and statewide GHG reduction goals, and ensure compliance with CEQA. Finally, in June 2020, staff provided an oral report recommending adoption of a GHG reduction target consistent with the state's goal of carbon neutrality by 2045.

In the fall of 2021, prior to the public release of the document, staff released an advance copy of the draft CAP for peer review to the six county planning departments within Metropolitan's service area and two analogous water

agencies. Peer review comments were incorporated into the draft CAP before it was released for the required CEQA public review process. The public review process is complete, and staff has revised and finalized the CAP and CEQA document based on comments received during the public comment period.

Certification of Final Program Environmental Impact Report

On November 18, 2021, Metropolitan released the Draft PEIR for a 45-day public review period as required by CEQA and the State CEQA Guidelines. Staff filed the Notice of Completion with the State Clearinghouse, and the Notice of Availability of the Draft PEIR was mailed to contiguous property owners, federal, state, and local agencies, and individuals that may have an interest in the CAP and projects covered under the CAP. An electronic copy of the Draft PEIR was posted on Metropolitan's website, while hard copies were made available at Metropolitan's Headquarters Building and nine public libraries within the Plan Area. The 45-day public review period ended on January 7, 2022. Metropolitan received thirteen comment letters pertaining to the CAP and Draft PEIR: six from governmental agencies, five from non-governmental organizations, and two from individuals. Individual comments in each letter were identified, and a response to each comment was prepared. Overall, commenters were supportive of Metropolitan's decision to prepare a CAP. Several comments recommended the inclusion of State Water Project (SWP) emissions into Metropolitan's CAP planning process to provide a clearer picture of the embedded energy associated with all water delivered to Metropolitan's service area. In response to these comments, a detailed discussion of the SWP emissions was included in an appendix to the CAP. Other comments supported Metropolitan's water efficiency program but encouraged the expansion of stormwater capture and the incorporation of vegetated nature-based solutions into all projects moving forward. While most comments received were centered on the CAP, one comment raised concerns about the Alternatives Analysis in the Draft PEIR, and one comment recommended that Metropolitan pursue project-level EIRs for projects proposed in the CAP. Metropolitan explained its decision to proceed with a PEIR and the variety of alternatives considered in its analysis in the PEIR and the response to comments. All public comment letters received and responses to individual comments are included in Volume 1 of the Final PEIR.

CEQA requires that Metropolitan's Board certify that the Final PEIR was completed in compliance with CEQA and the State CEQA Guidelines; that the Board has reviewed and considered the information presented in the Final PEIR; and that the Final PEIR reflects the Board's independent judgment and analysis. CEQA also requires that public agencies adopt a Mitigation Monitoring and Reporting Program (MMRP) when they approve a project that contains mitigation measures to reduce or avoid significant environmental impacts. The Final PEIR identified potentially significant environmental impacts and proposed feasible mitigation measures, which are included in the MMRP. In addition, CEQA requires Metropolitan's Board adopt the Findings of Fact (FOF or Findings), which contain: (1) conclusions about each significant impact; (2) substantial evidence supporting Metropolitan's conclusions; and (3) an explanation of how the evidence supports the conclusions. Findings must be made at the time the Final PEIR is certified. The Final PEIR concluded that air quality, cultural resources, and noise impacts could not be mitigated to less-than-significant levels. Finally, the Board must adopt a Statement of Overriding Considerations (SOC) for these impacts. The SOC concludes that the benefits of the proposed program substantially outweigh the unavoidable significant adverse impacts that would result from project implementation.

CAP Adoption

Metropolitan's CAP is a comprehensive programmatic planning document designed to streamline the environmental analysis of GHG impacts from future capital projects by identifying GHG reduction actions and programs that offset future GHG emissions. To be used to offset future GHG emissions, the CAP must meet the requirements of Section 15183.5(b)(1) of the State CEQA Guidelines for a "Qualified GHG Reduction Plan" (Qualified CAP). Metropolitan's CAP is consistent with California GHG reduction legislation and includes a baseline GHG emissions inventory from Metropolitan's operations from 1990 through 2020; an emissions forecast modelled using published water supply scenarios through 2045; an established emissions reduction target of carbon neutrality by 2045; actions and policies that Metropolitan can implement to achieve the necessary GHG reductions to meet this target; a monitoring and reporting program to ensure the goals are met; and an implementation roadmap. Once adopted by the Board, Metropolitan's CAP will satisfy the CEQA requirements for a Qualified CAP.

Amendment to an Agreement for Environmental Support (Rincon Consultants, Inc.)

In October 2018, the Board authorized a new agreement with Rincon Consultants, Inc. (Rincon) for environmental support to develop the CAP and associated CEQA document. In September 2021, the Board authorized an increase to the agreement for public outreach and peer review support. Rincon completed the scope of work identified under the agreement, including the development of a CAP and supporting CEQA document.

This action authorizes an increase of \$1.2 million to an existing agreement with Rincon for a new not-to-exceed total of \$2.2 million for environmental services associated with CAP implementation. The scope of services will include developing and preparing annual progress reports; designing and implementing an online reporting tool to support Metropolitan's goal of transparency; developing an equitable community engagement strategy; preparing annual GHG inventories; and preparing Metropolitan's five-year update to the CAP and necessary CEQA documentation.

Summary

This action certifies the Final PEIR for the CAP, adopts the MMRP, FOF, and SOC, and adopts the CAP in accordance with CEQA, and authorizes an increase of \$1.2 million to an existing agreement with Rincon for services related to implementation of the CAP. **See Attachment 1** for the Location Map; **Attachment 2** for the Draft PEIR; **Attachment 3** for the Final PEIR (including Responses to Comments, FOF, SOC, and MMRP); and **Attachment 4** for the Final CAP.

Policy

By Minute Item 44813, dated March 12, 2002, the Board adopted policy principles on global climate change and water resources planning, expressing Metropolitan's support for further research into the potential water resource and quality effects of global climate change, and support for reasonable, economically-viable, and technologically-feasible management strategies and efforts for reducing the potential impacts of global climate change to water resources.

By Minute Item 51350, dated October 9, 2018, the Board authorized the development of a CAP.

By Minute Item 52579, dated November 9, 2021, the Board adopted legislative policy principles on climate changes and the environment to help California reach its climate goals while adapting to a rapidly changing environmental landscape. The Board also expressed its support for policies and funding that encourage sustainable practices and environmental compliance, reduce greenhouse gas emissions, and improve energy sustainability.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Certify that the Final PEIR was completed in compliance with CEQA and the State CEQA Guidelines; certify that the Board has reviewed and considered the information presented in the Final PEIR; certify that the Final PEIR reflects the Board's independent judgment and analysis; adopt the FOF, SOC, and the MMRP; and adopt the CAP for the purposes of CEQA.

CEQA determination for Option #2:

None required

Board Options

Option #1

Certify the Final Program Environmental Impact Report for the Climate Action Plan and take related CEQA actions; adopt the Climate Action Plan; and authorize an increase of \$1.2 million to an agreement with Rincon Consultants, Inc for a new not-to-exceed amount of \$2.2 million for Climate Action Plan implementation support.

Fiscal Impact: Expenditure of \$1.2 million in O&M funds over the next five years. Approximately \$250,000 will be incurred in the first fiscal year to develop tracking tools and provide implementation support.

Business Analysis: The option would leverage existing and planned water, energy, and other conservation measures to help offset GHG impacts from future projects and mitigate the effect of GHG-related climate change.

Option #2

Do not certify the Final Program Environmental Impact Report; do not adopt the Climate Action Plan; and do not authorize an increase to the agreement with Rincon Associates, Inc. at this time.

Fiscal Impact: Unknown

Business Analysis: Under this option, staff would continue to apply project-specific GHG reduction measures to individual projects. This option would forego a cost-saving opportunity to utilize existing programs to offset emissions from future capital projects.

Staff Recommendation

Option #1

Elizabeth Crosson *Date*
*Chief Sustainability, Resiliency and
Innovation Officer*

Adel Hagekhalil *Date*
General Manager

Attachment 1 – Location Map

Attachment 2 – Draft Program EIR

Attachment 3 – Final Program EIR

Attachment 4 – Final CAP

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