

Water Resilience Portfolio
Summary of Listening Sessions and Recommendations
October 1, 2019

Background

Governor Newsom's Executive Order N-10-19, issued in April 2019, directs the Secretaries of the California Natural Resources Agency (Resources Agency), California Environmental Protection Agency (Cal EPA), and California Department of Food and Agriculture (CDFA) to prepare a Water Resilience Portfolio to meet the State's water needs. The Secretaries are to establish water portfolio priorities, and improve agency coordination to implement those priorities. To that end, state Boards and Commissions were asked to hold public Listening Sessions to gather feedback on the portfolio.

The Commission's first listening session, on June 19, featured three water experts who spoke about key issues regarding a climate-resilient portfolio. The second session, on August 27, focused on the State's institutional capacity for achieving climate resiliency. Lisa Beutler, Executive Facilitator, Stantec, moderated the discussions between invited speakers and the Commission. Audience members were invited to share their ideas and perspectives.

CWC Executive Officer Joseph Yun summarized the June 19 Listening Session, noting that speakers Caitrin Chappelle (Public Policy Institute of California), John Cain (River Partners), and Bob Wilkinson (University of California, Santa Barbara) addressed what a Resilient Water Portfolio might contain. Contents could include updating allocation rules, addressing the allocation of project costs, and the role of natural infrastructure and multi-benefit projects. The speakers recommended that the approach be outcome-driven framed to encompass both environmental and water supply objectives.

Executive Officer Yun suggested that a June 23 blog post by Professor Jay Lund (U.C. Davis) might be a good point to begin the conversation. In that Post, Dr. Lund described the state planning and regulatory framework for water as producing a "brutal, expensive, and impossibly slow incrementalism that impedes effective portfolio development and implementation." There is a general sense that the State needs to move more quickly to respond to our changing hydrology and implement multi-benefit projects. Consequently, the August listening session focused on governance and institutional issues around climate resiliency.

This document summarizes the results of the Commission's second listening session. The following observations and recommendations for the Water Resilience Portfolio were synthesized from the panelists' presentations and the discussion among the Commission and the invited speakers.

Recommendations on Water Resilience Portfolio and Resilience Goals

- The Portfolio should clearly define resilience and articulate principles around resilience that will enable good decisions on infrastructure.
- The Water Resilience Portfolio should include (or set in motion a process to develop) a set of policy goals and objectives to guide collaborative, landscape-

It would be a loss of tremendous opportunity if the response to the Executive Order was only a list of projects.

scale planning efforts that result in the best suite of regional projects to meet these goals;

- The Portfolio should include a statement of priorities for State investments in multi-benefit projects, and include (or develop subsequently) a set of principles for managing tradeoffs between benefits.
- While the Executive Order focuses on *resilience*, the portfolio should contain (or the State should develop) a framework for responding and realigning if conditions go further awry. For example, the “4 Rs” used by foresters go beyond resilience to responding and realigning to systemic changes:
 - Resistance – as not allowing conditions to change;
 - Resilience – as bouncing back to prior conditions;
 - (Orderly) Response – as managing systems towards a new preferred outcome;
 - Realignment – as trying to minimize adverse impacts

Recommendations on Governance

- Water governance is messy and complex, which is typical of multi-scale systems. The State must encourage and support good decisions at local and regional levels (rather than make all the decisions).
- Strike the balance between enough rules to provide transparency and fairness, and enough flexibility to address local priorities and conditions and make opportune decisions.
- While it may be tempting to call for creating new institutions or modifying existing institutions to meet resiliency policy goals, the Portfolio should focus on adapting the existing governance structures and resources--expertise, programs, relationships, and infrastructure—to make them more effective and efficient.
- The Portfolio should define what the State wishes to accomplish with resilient water management, set targets for the main goals, and provide guidance for local/regional efforts to achieve the goals (e.g., preserve or enhance specific at-risk ecosystems, provide clean, affordable drinking water to identified disadvantaged communities). Executive actions could provide incentives and timelines. Locals could use an integrated regional water management (IRWM) planning process or similar collaboration to plan a course toward resiliency.
- Similar to the Sustainable Groundwater Management Act (SGMA), the State should set standards and regulations about what is required for regional water resiliency. Locals should determine how best to meet the standards, with technical and financial support from the State.

Governance is simply a mess. It's indicative of the many multi-scale systems inherent in California water. The challenge is to manage the mess.

The State should also provide a backstop to locals who are working on difficult problems, and be prepared to step in to enforce.

- The State should assist and reward early adopters, reserving enforcement actions for those plans that do not meet the adequacy standards.
- The Portfolio should consider the role of the California Water Plan in moving the State toward climate resiliency, as well as the roles of state agencies such as DWR and the Water Board. Should the Water Plan be the central organizing and coordinating function of the State? Could it be the source of data needed by local and regional efforts?
- Rather than develop ad hoc responses (to drought or a series of atmospheric rivers, for example), the Portfolio should require State agencies to conduct contingency-based planning—in essence, to do the thinking in advance. Each agency should identify the decisions that will need to be made, and what systems need to be put in place now (infrastructure, data, and decision-making processes) to ensure that California can respond to future conditions in a timely and effective way. As an example, water rights data are stored in a variety of formats, including paper records. In this example, the Portfolio should identify what data management infrastructure could be put in place now so that the water rights information is available for timely decisions on water transfers or groundwater recharge. The Portfolio should identify who should do it, and provide funding and a timeframe for completing the work.

Recommendation: Support Regional Planning and Collaboration

Landscape-scale collaborations are highly varied and shaped by the communities, the region and planning partners.

- “Multi-benefit projects” such as the Yolo Bypass, can be operated for a primary purpose, while also creating ancillary benefits (such as habitat for juvenile salmon). However, multi-benefit projects are difficult to plan and execute because of the costs, demands on time, and the inevitable tradeoffs among benefits and stakeholders. The Portfolio should expressly support the development of multi-benefit projects and evaluate whether the State has the right tools (policy statements, legislative authority, carrots and sticks) to encourage regional interests to work across sectors and organizational boundaries.
- Landscape-scale planning efforts with broad participation are needed to understand the impacts of proposed projects and to share science.
- The geographic scale for planning must be appropriate to the stated planning goals (e.g., watershed management that includes groundwater recharge and land use considerations) and consider both physical and institutional boundaries.
- Long-term regional collaborations are necessary to create a larger vision of regional needs and priorities, and to attract private investment.
- The Portfolio should identify the statewide benefits to be achieved through regional planning, and identify how state agency programs could be integrated at the regional level to generate a better suite of projects and more timely decisions on projects.

- The Portfolio should consider how the State could provide reliable, sustained multi-year funding for collaborative regional planning and to ensure equitable representation in planning processes.

Recommendation: Address small systems and underrepresented communities’ water quality concerns

Small communities on the front lines of the climate crisis are not prioritized and are actively dismissed and unfairly seen as burdens.

- Small water systems and domestic well users are already experiencing the negative impacts of climate change. The Resilience Portfolio should develop indicators of progress in making communities resilient to water shortages, including how the most vulnerable communities will fare in the future.
- Regional, IRWM, or Groundwater Sustainability Agencies (GSAs) may not see community water quality concerns as their responsibility. For example, GSAs focused on groundwater recharge may not explore options for improving drinking water quality if they view drinking water as the county’s responsibility. The Portfolio should include an evaluation of where responsibility lies, in various state-supported collaborative planning efforts, to respond to the drinking water needs of small and under-represented communities.
- The Portfolio should identify (or set in motion a process to identify) how to systematically and consistently support the participation of under-represented communities in water and landscape planning processes, with equivalent resources and representation as other stakeholders, so that they have the capacity to participate in meaningful ways.

Thoughts on Tools and Data Needed to Succeed

- California has taken several important steps in the last few years, and is poised to move beyond the current constrained and incremental approach to water planning. These include cutting edge climate science, data sets developed through the climate change assessments, DWR’s climate change technical advisory committee, the Open and Transparent Water Data Act (AB 1755), and SGMA (which requires integration of water and land use planning, and mandates sustainability plans to include climate change analyses into water budgets). However, California needs more accurate and real-time data, integrated and shared by state agencies, to inform decision-making. Specific needs include but are not limited to weather forecasts, water rights, soil and runoff conditions, and mapping of natural infrastructure such as ancient river beds and alluvial areas with high potential for groundwater recharge.
- The Portfolio should direct agencies to integrate climate science, and ensure that translates consistently through to water and land use planning.

- In developing an approach to regional planning for resiliency, the Portfolio should ensure that the state provides not only goals and objectives, but also considers four key factors to enable collaboration and integration of water and land use planning:
 1. A shared understanding of conditions or problems (or the data to develop such);
 2. Technical expertise to access or interpret those data and associated uncertainties;
 3. Funding, resources, and capacity to work together (or a mandate when people are not willing to work together); and
 4. A clear process and venue for resolving disputes when they arise.
- The Portfolio should create (or set in motion a process to create) a conflict resolution process to avoid lengthy delays in planning or implementation of regional efforts.
- To plan for resiliency, California needs a central water data platform with high quality, publicly available data. AB 1755 is a huge step forward, but we can learn from other states. Colorado's decision support system has some distinctive characteristics:
 - It has high level state buy-in for the platform, which led to broad state, federal, and local investment in tool development;
 - There was initial and ongoing state funding for the platform;
 - The platform was developed on a basin-by-basin basis, rather than statewide;
 - The decision support tool was designed to support state-level water management decisions; and
 - The tool was intended to be managed and governed by two state agencies.