

Climate Adaptation Master Plan for Water (CAMP4W)

WORKING MEMORANDUM 9

PROJECT, PROGRAM AND PORTFOLIO ASSESSMENT

September 2024

1 Introduction

In February 2023, the Board directed staff to integrate water resources, climate, and financial planning into a Climate Adaptation Master Plan for Water (CAMP4W). Specifically, CAMP4W will include (1) Climate and Growth Scenarios, (2) Time-Bound Targets, (3) A Framework for Climate Decision-Making and Reporting, (4) Policies, Initiatives, and Partnerships, and (5) Business Models and Funding Strategies. CAMP4W will increase Metropolitan's understanding of the climate risks to water supplies, infrastructure, operations, workforce, and business model. CAMP4W will also provide decision-making tools and long-term planning guidance for adapting to climate change, in order to strengthen Metropolitan's ability to fulfill its mission.

To facilitate the development of the CAMP4W in a timely and transparent process, a Joint Task Force was chartered by the Board in October 2023. The Task Force is made up of Board members, Member Agency managers, and Metropolitan staff. The initial development tasks were submitted to the Board in the CAMP4W Year One Progress Report, which achieved concurrence by the Board in May 2024. The refinement and development of the remaining CAMP4W components, inclusive of the Climate Decision-Making Framework, will continue throughout 2024.

The Climate Decision-Making and Reporting Framework includes the development of Evaluative Criteria to align Metropolitan's investments with the values and priorities of the Board while complementing Member Agencies' individual plans and investments. Evaluative Criteria are one component of the decision-making process, which includes resource and policy-based Time-Bound Targets and Signposts for tracking real-world conditions over time. A key part of the Climate Decision-Making and Reporting Framework will require Board deliberations.

Evaluative Criteria development history can be found in [Working Memorandum #2](#), which presents the Themes that were developed with the Board to establish the priority areas to be addressed by the CAMP4W process, and in [Working Memoranda #5](#), which details the process from which the Themes were distilled into discrete Evaluative Criteria categories. These memoranda, along with the [CAMP4W Year One Progress Report](#), formed the foundation for the work completed by the Task Force to date.

This Working Memorandum #9 presents a major component of the Climate Decision-Making Framework – the proposed methodology for using the Evaluative Criteria to comprehensively assess projects, programs, and portfolios in the CAMP4W process. **(Figure 1)**.

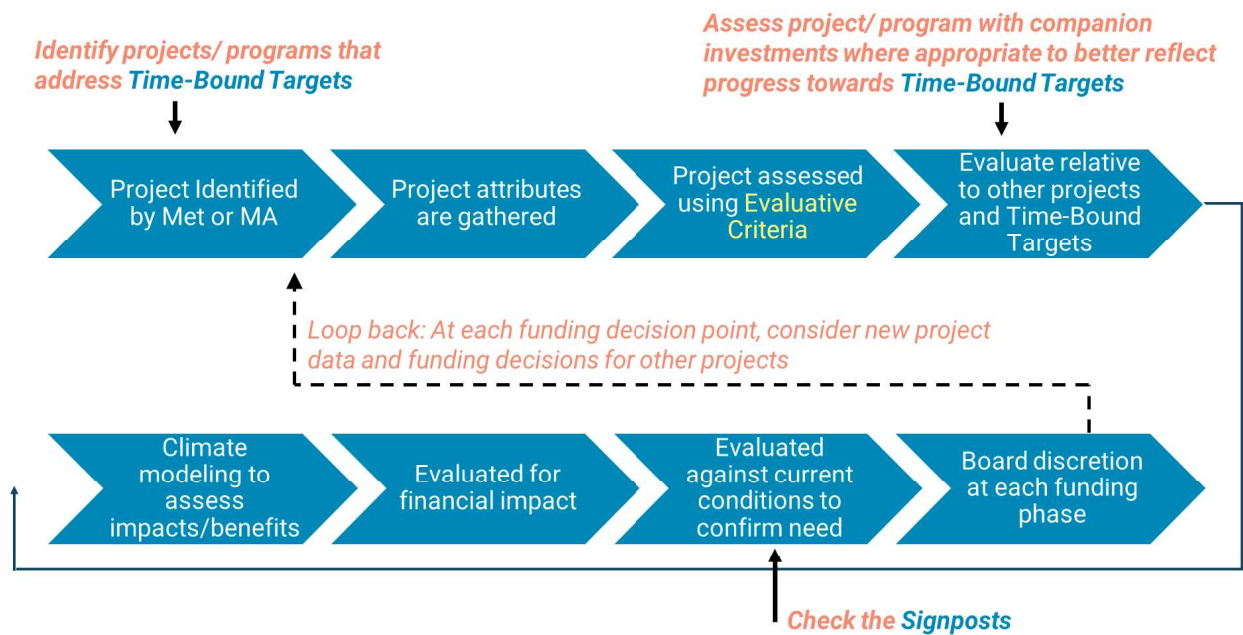


Figure 1. Climate Decision-Making Framework

2 Summary of Evaluative Criteria Evolution

Beginning in the spring of 2023, the Board considered forty-four Themes, which encapsulate the Board’s priorities within the context of the CAMP4W process and the five overarching categories (**Figure 2**). During the November 21, 2023, and December 19, 2023, Joint Task Force meetings, staff presented an overview of the progression from these forty-four themes to ten Draft Evaluative Criteria and eventually the six which were refined by the Task Force for inclusion in the CAMP4W Year One Progress Report (**Figure 3**).

Evaluative Criteria are intended to provide a uniform methodology for project, program, and portfolio evaluation, which will support the Climate Decision-Making process by identifying the benefits of each project or program. This process is therefore intended to take the Board’s preferences (as expressed in the Themes and Evaluative Criteria) and embed them into the project selection process by identifying and pursuing projects with benefits that align with the Evaluative Criteria.

Based on comments received from the Task Force and Member Agencies, Draft Evaluative Criteria were revised to reduce the total number of criteria from ten to six, as shown in **Figures 2, 3, and 4**.

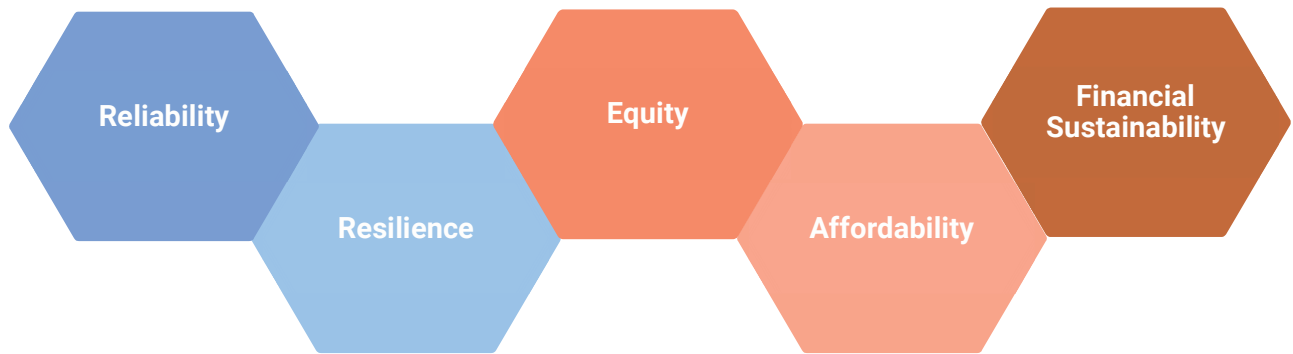


Figure 2. Board Priorities and Values Defined through the CAMP4W Process

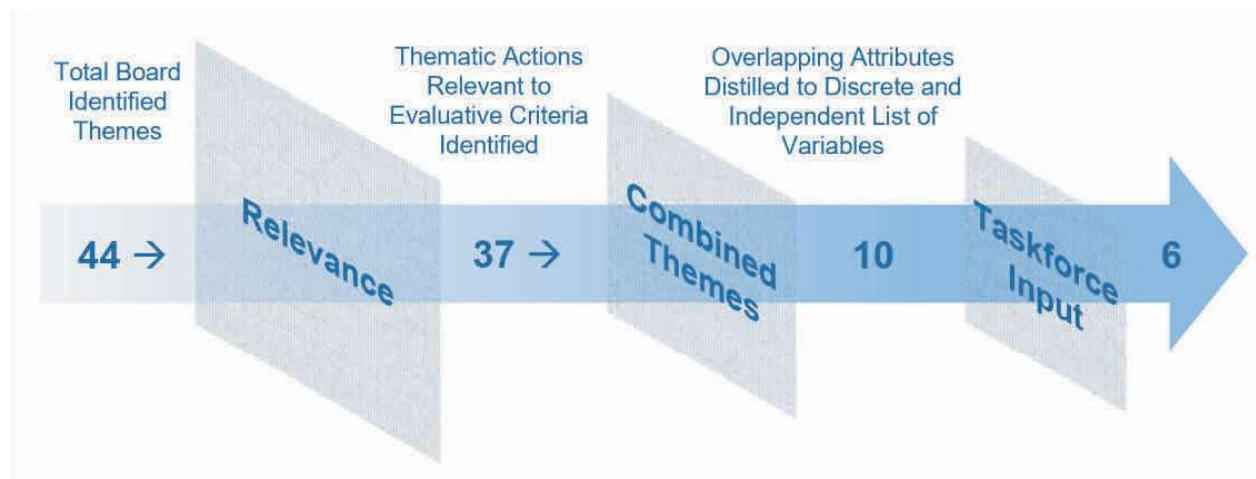


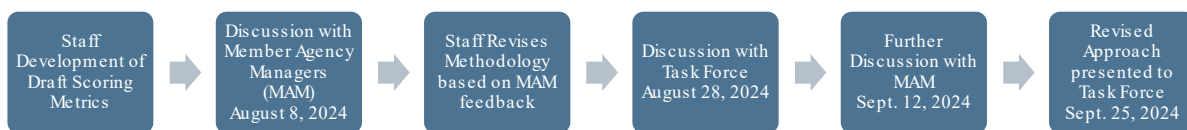
Figure 3. Evaluative Criteria Development



Figure 4. Final Six Evaluative Criteria (Presented in CAMP4W Year One Progress Report)

3 Project, Program, and Portfolio Evaluation

In early August 2024, the Member Agency Managers were presented with an initial methodology for scoring projects and programs. The initial methodology was purely quantitative and proposed a set of metrics to provide numeric values for each evaluative criteria totaling a composite score for each project or program. The initial methodology also included weighting factors based on previous discussions and the CAMP4W Year One Progress Report. This approach was intended to provide a transparent, data-driven, and standardized method of evaluation. However, this also resulted in a complex scoring methodology that raised concerns with the Task Force and Member Agencies. A revised methodology, which includes both quantitative and qualitative measures is described below. Steps taken to date are presented in **Figure 6, Steps to Refine Evaluation Methodology:**



OVERVIEW OF MEMBER AGENCY MANAGERS AND TASK FORCE FEEDBACK TO DATE

- The initial scoring metrics were overly complicated and difficult to implement
- One single composite score could mask unique attributes of each project or program
- The initial scoring metrics were too narrow and did not adequately represent the breadth of potential attributes
- Some quantitative metrics must be included in a Comprehensive Assessment and information provided should detail the degree to which a project provides benefits (not just yes/no determinations)
- Consider whether there should be a minimum threshold for criteria categories
- Include Time-Bound Targets in Comprehensive Assessment
- Ensure application to projects under development or complementary to primary projects
- Consider weighting at the staff level and including a sensitivity analysis
- Reliability should remain paramount and financial considerations more pronounced
- Assessment process should prioritize water supply and storage exchange opportunities among Member Agencies, specifically with existing infrastructure

3.1 Shift from Initial Scoring Methodology to a Comprehensive Assessment Approach

Based on feedback from Member Agency Managers and the Task Force, staff refined the methodology. It continues to allow for a comprehensive assessment based on many of the quantitative metrics initially presented, but now also includes qualitative descriptions of project or program attributes. (Figure 7).

Evaluative Criteria	
Reliability	<p>Each Project or Program would be considered through a robust narrative description of how project attributes achieve each objective</p> <p>Descriptions could include:</p> <ul style="list-style-type: none"> ✓ Quantitative metrics ✓ Qualitative information ✓ Gaps in information available
Resilience	
Adaptability & Flexibility	
Affordability	
Environmental Co-benefits	
Equity	

Figure 7. Quantitative and Qualitative Metrics by Evaluative Criteria Category

To facilitate the inclusion of quantitative and qualitative assessments and ensure comments received from the Task Force, Member Agency Managers, and other interested parties were incorporated, a series of considerations for each of the six criteria originally included in [Working Memorandum #5](#) were reviewed and updated (see **Attachment 1, CAMP4W Comprehensive Assessment**). These considerations are intended to guide the evaluation process and provide a uniform set of data points for Board deliberations on proposed projects, programs, and portfolios. While the questions help standardize evaluations, the assessment format allows for the consideration of attributes that may extend beyond the questions. An evaluation committee of Metropolitan staff from across the different disciplines (water resources, engineering, operations, sustainability, finance) will conduct and provide the assessments.

A Draft CAMP4W Comprehensive Assessment Form is attached. Key features include:

- 1) A summary page of each project, program, or portfolio with high-level assessment information.
- 2) Space to narratively describe quantitative and qualitative attributes, benefits, and challenges of each project, program, and portfolio.
- 3) Comprehensive and transparent descriptions in all six criteria categories.
- 4) Assessment by evaluative criteria category through a color ranking system.
- 5) Alignment of Time-Bound Target progress with project, program, and portfolio assessments.
- 6) Flexibility to assess companion projects and/or portfolios together or individually.

4 Next Steps

Additional feedback over the coming months will be incorporated into a refined Climate Decision-Making and Reporting Framework for consideration at the November 2024 CAMP4W Task Force. A digital version of the Comprehensive Assessment will also be developed to help compile and process data for each project, program, and portfolio. The dashboard will allow a more dynamic view of each assessment, separately and in combination. **Figure 8** presents next steps.

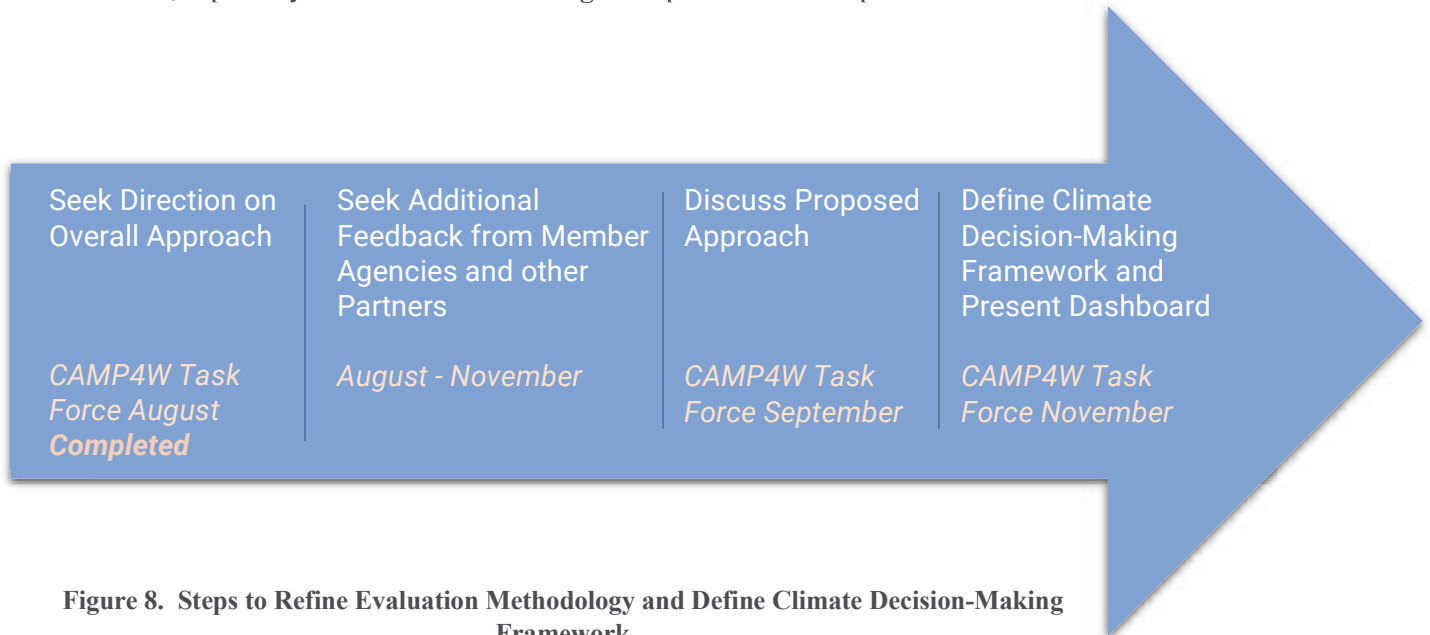


Figure 8. Steps to Refine Evaluation Methodology and Define Climate Decision-Making Framework