

MOJAVE WATER AGENCY STRATEGIC PLAN



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Mojave Water Agency Strategic Plan

Introduction

The Mojave Water Agency (the Agency) was established in 1960 in response to concerns over the regional overdraft condition that was occurring due to the annual use of ground water resources exceeded the long-term average annual supply. It was recognized that an alternative source of water would be needed to support existing and future water needs for the Mojave region. Consequently, the Agency secured a contract with the California Department of Water Resources to become one of 29 State Water Contractors with rights to take delivery of State Water Project (SWP) water from the California Aqueduct. The Agency initially secured an entitlement of up to 50,800 acre-feet of water per year, which was increased by purchases of an additional 25,000 acre-feet of entitlement in 1998 and 14,000 acre-feet in 2009. Access to water from the SWP is a primary management asset the Agency will leverage to provide future water supplies to the region.

The Agency's Purpose

The primary purpose for creation of the Agency is summarized in its enabling legislation (the "MWA Act"):

Within the limits of its power and authority set forth in this act, the purpose of the agency shall be **to do any and every act necessary to be done so that sufficient water may be available for any present or future beneficial use of the lands and inhabitants of the agency**, including, but not limited to, the construction, maintenance, alteration, purchase, and operation of any and all works or improvements within the agency necessary or proper to carry out any object or purpose of this act and the gathering of data for, and the development and implementation of, after consultation and coordination with all public and private water entities who are in any way affected, management and master plans to mitigate the cumulative overdraft of groundwater basins, to monitor the condition of the groundwater basins, to pursue all necessary water conservation measures, and to negotiate for additional water supplies from all state, federal, and other sources. (California Water Code Appendix §97-1.5)

Definitions

Beneficial Use – the actual reasonable use of water in accordance with California law for the following purposes: domestic; residential; agriculture; generation of power by hydroelectric or hydromechanical means; frost protection for crops; heat control for crops; municipal; mining; industrial; commercial; fish or wildlife preservation; habitat preservation; aquaculture; recreational; stock watering; or firefighting.

Reliable Water Supplies – the ability to meet annual demands fully over the expected range of annual variability in imported and local water supply availability

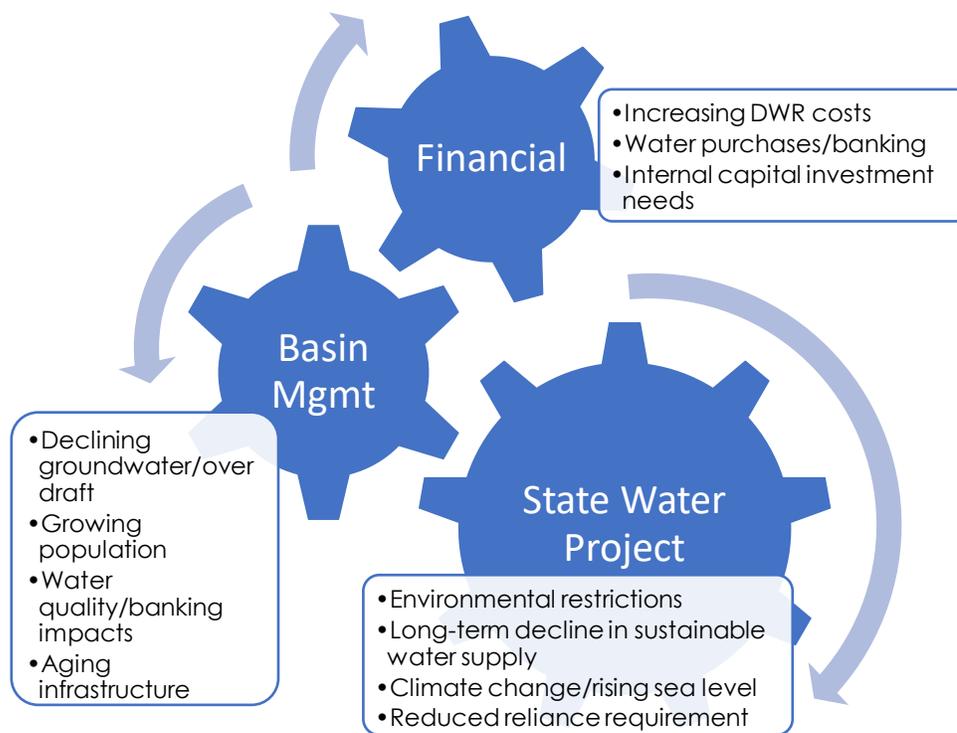
Risk - the effect of uncertainty on objectives (per ISO 31000, Risk Management Guidelines)

Sustainable Water Supplies – a portfolio of water supplies that can meet the long-term water demands of our communities and other water demands of our region based on annual averages

Strategic Plan Update: A New Era

The Agency developed a Strategic Plan in 2002 and then updated that plan in 2006. The Strategic Plan was intended to provide the framework and focus for the Agency that would facilitate the organization fulfilling its legislative mandate. Since the Strategic Plan development and update, California has entered a new era of water resource management, with new and changing risks affecting the Agency's ability to continue fulfilling its legislative mandate, both near and long-term. These new risks affect imported water supply from the SWP, groundwater basin management flexibility, and financial revenues and obligations. Figure 1 describes the range of risks the Agency must address to fulfill its legislative mandate.

Figure 1. A new era of risks and uncertainty



State Water Project

Over the past 15 years, the environment within which the SWP operates has changed drastically due to many factors including:

- New and more restrictive regulations including protections for threatened and endangered species under the State and Federal Endangered Species Acts (e.g., the 2008 and 2009 Biological Opinions for salmonids and smelt, the updated 2019 Biological Opinions, and the 2020 Incidental Take Permit).
- Major infrastructure damage and failure (Oroville Reservoir River Valve Outlet Outage, Oroville Reservoir Flood Control Spillway failure, Clifton Court Forebay Gate damage, Thermalito Pumping/Power plant fire, subsidence)

- Changes in timing and volumes of water supply availability due to climate change, particularly in wetter hydrologic conditions

These and other changes have caused a continual decline in SWP water availability over the long term. The Agency is actively engaging on activities that could improve its long-term water supply availability including the development of the Voluntary Agreement Framework and planning for the Delta Conveyance Project.

Basin Management

The Agency is also experiencing several uncertainties and associated risks with regards to groundwater management. Several of the groundwater basins within the Agency's service area have been over drafted. Problems caused by the overdraft led to a legal judgement entered into in 1993 which developed an agreement to bring basins into sustainable operations. Some groundwater basins in the Agency's region remain in overdraft conditions with continuing declines of groundwater levels occurring. Visible changes in land uses within the region over recent years, including numerous extensive cannabis grows, appear to be adding water uses, some that may be operating outside the terms of the judgement within the Mojave adjudicated boundary.

The region also continues to balance use of the groundwater basins through groundwater banking projects, while addressing risks to water quality and localized effects on groundwater levels. With a highly unreliable SWP supply, the Agency must be prepared to take advantage of the extreme wet weather flows that may be accessed through the SWP by investing in recharge basins and facilities to needed to convey and store large quantities of water quickly.

Meanwhile, the infrastructure in the region for both use of the groundwater resources as well as replenishment of the groundwater basins is aging, resulting in risks to both maintenance costs and reliability of access. To address the growing risks and uncertainty with the region's groundwater basin management, the Agency is working to develop an asset management plan including planning for infrastructure maintenance, repair, and replacement. The agency is also working creatively to develop programs that will improve groundwater conditions in our region at the least possible cost.

Financial

While adapting to and addressing the SWP and groundwater basin management risks, the Agency is facing uncertainty in long-term financial planning. As SWP water supply availability and reliability decline, the costs associated with measures to maintain SWP water supply reliability increase, including costs for complying with regulations, adapting to new regulations, adapting to climate change, and repairing and maintaining infrastructure. The Agency anticipates significantly increased costs associated with maintenance and protection of available SWP water supplies including costs for the planning, construction, and operation of the Delta Conveyance Project and costs associated with regulatory requirements for permits under the state and federal endangered species acts. There is also uncertainty around creatively managing the Agency's available imported water, in an effort to balance the costs of importing water with the risks of foregoing imported water for sales to other State Water Contractors. The Agency's own aging infrastructure adds additional financial responsibility and risk. The Agency works to creatively steward financial resources to maintain a high level of service to our region while managing costs responsibly.

Intent of Strategic Plan

This Strategic Plan is intended to refine the Agency's focus in recognition of the changing landscape within which the Agency operates and the increased uncertainty affecting future planning. This Strategic Plan serves as a current, clear, and broadly supported written description of what the Agency is working to accomplish and how they will work together with Agency customers and other stakeholders. The Strategic Plan serves as a guiding beacon to help the Agency focus on what is most important: achieving the Agency Vision and Mission. Directors, executive staff, and staff will work to achieve the goals and objectives by implementing regularly updated priority initiatives.

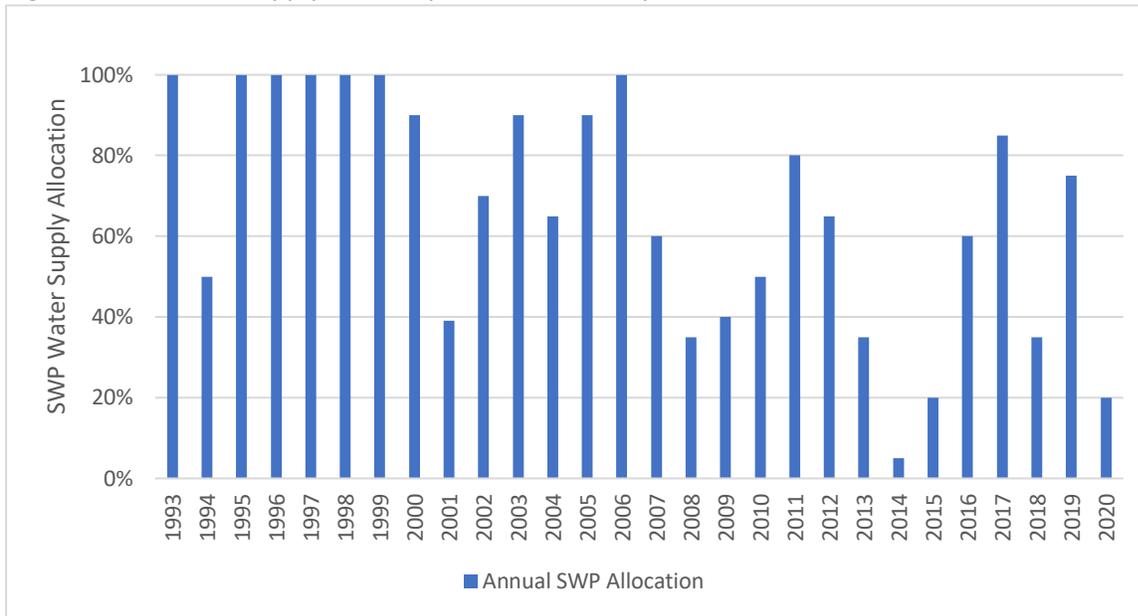
Elements of Strategic Plan

This Strategic Plan outlines our Vision, Mission, Core Values, Goals, and Objectives. Our vision, mission and core values provide the foundation for our organization. These elements describe who we are, what we want to achieve, and what will guide our approach to business on a daily basis. Memorializing our organization's vision, mission, and values in this Strategic Plan is intended to provide the basis for incorporating these aspirations into actions. The goals set forth in this Strategic Plan are designed to be primary focal areas that assist the Agency in fulfilling its legislative mandate, vision, and mission. We have identified tangible objectives we believe will support the Agency to satisfy our goals each year. We will develop metrics for each objective that we will track and report over time to monitor how well we are fulfilling our objectives. We have developed priority initiatives to define, organize, and implement the work needed to achieve our objectives. Beginning in January of each year, the executive staff will review the previous year's accomplishments toward fulfilling the objectives and develop and propose updated priority initiatives needed to fulfill the objectives in time to support the Agency budgeting process. Starting in January 2025, and every five years thereafter, the Agency will review the complete Strategic Plan and update appropriately.

Reliability versus Sustainability

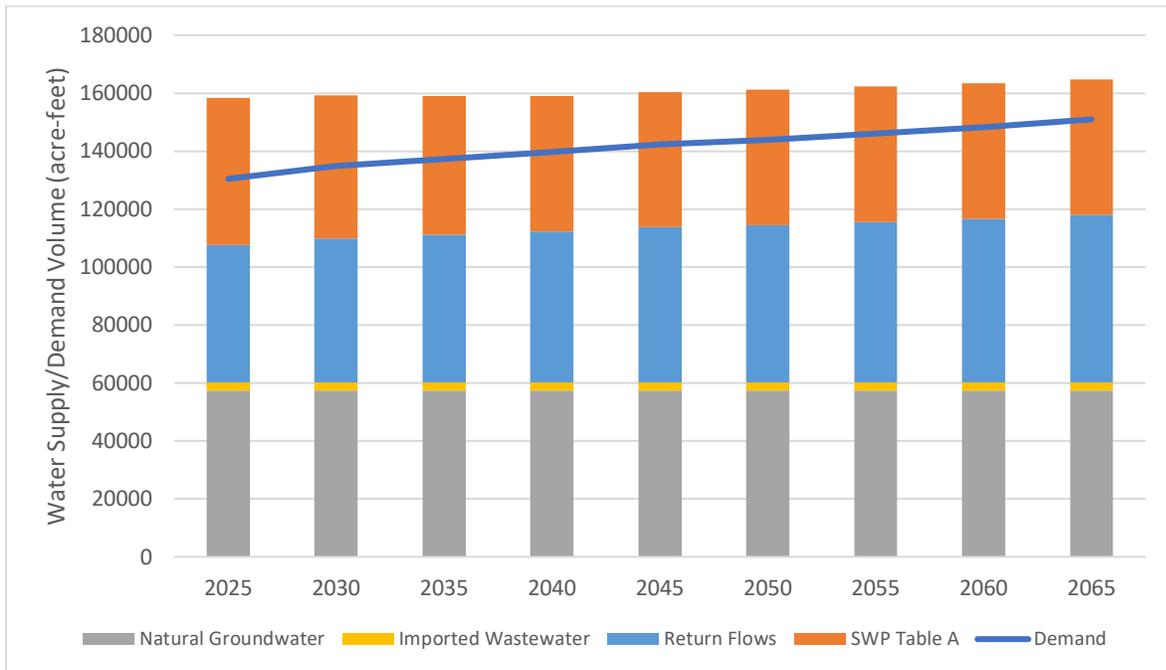
An important distinction exists between water supply reliability and water supply sustainability. Figure 2 depicts the historical SWP annual water supply availability. The bars in Figure 2 show the annual SWP Table A allocation. If SWP water supplies were 100% reliable, there would be no variation in the Table A allocation between years. More variation in Table A allocations between years indicates less reliability. It is anticipated that with climate change, the annual reliability of our SWP supplies will become even less reliable on an annualized basis. Flashier storms will require the MWA to manage its supplies differently in order to be able to take advantage of the extreme wet years where capacity constraints on our local recharge basins and pipelines could make it problematic to take full advantage of our investment in the SWP.

Figure 2 SWP water supply reliability and sustainability



The Agency also evaluates and forecasts its water service sustainability in its updates to the Urban Water Management Plan. Water service sustainability is determined by comparing existing and forecast demands with existing and forecast water supply availability. Water service sustainability is confirmed when the available supplies exceed the demand. Figure 3 demonstrates the projection of MWA’s water service availability through 2065. Although demand is forecast to increase and available water supply is expected to decrease, sufficient supplies are forecast to meet demands, exhibiting forecasted water service sustainability. This supply, however, is in constant threat of a reduction in the long-term sustainable supply as the State grapples with climate change and regulatory protections for endangered species.

Figure 3. Mojave Water Agency Water Supply Reliability through 2065



Vision

Collectively achieve sustainable water management to empower our communities to thrive for generations to come.

Mission

Collaboratively manage groundwater basins sustainably, import water responsibly, and address risks proactively using sound science.

Core Values

1. **Service to the Community:** We are here to make a positive difference in our region and the water industry. As collective and individual ambassadors of the Agency, we will respond to the community’s needs in a courteous, respectful, and professional manner.
2. **Integrity:** We will strive to continually earn the trust of those we serve and work with in an open and transparent manner. We will have the courage to make difficult decisions and the compassion to listen to the needs of others in doing what is considered correct for the long-term viability of the area’s water resources.
3. **Innovation and Creativity:** We recognize that many of the challenges we face today are complex and, therefore, must be approached with creative and innovative solutions. We must always remember that the system we manage has many interdependencies, and our actions consequently have the potential for unintended consequences. We will combine innovation, initiative and responsible risk-taking to address the challenges we encounter. We will always seek innovative ways to improve.

4. **Teamwork:** We recognize the power and effectiveness of an organization that operates as a team. We will work to create and maintain a respectful, cooperative, and friendly work environment that supports individual contributions as well as the team effort. We know that our success depends not on how well each person works, but on how well we work together, both within our organization and within our community.
5. **Individual Growth and Reward:** We are committed to providing a work environment based upon mutual respect. We will provide career development and professional growth opportunities for our staff so that they can succeed. We will implement a compensation philosophy that, in conjunction with other attributes of Agency employment, will provide meaningful incentive to attract and maintain quality employees.
6. **Transparent Decision Making:** We recognize the importance of working with a shared understanding. We will encourage and make appropriate investments in gathering and presenting credible data and developing trustworthy scientific methods and analytical tools to help fulfill our mission.

Goals

1. Support our communities to fulfill their water needs associated with their land use plans.
2. Cultivate an effective and resilient organization needed to fulfill our mission.

Objectives

1. Manage groundwater basins sustainably. (Supports achieving Goal 1)

The Agency understands that the sustainable management of our area's groundwater basins is essential for our communities to access reliable and safe water supplies into the future. The Agency is committed to supporting local communities through short and long-term planning efforts using robust scientific data collection and analyses to understand and quantify groundwater basin use and health. The Agency is also committed to supporting responsible parties to fulfill their Sustainable Groundwater Management Act obligations.

2. Identify and maintain access to imported water supplies in sufficient quantities that, when combined with local supplies, meet Urban Water Management Planning Act requirements which support local communities' land use plans. (Supports achieving Goal 1)

The Agency was founded with the vision that imported water supplies would be necessary to meet the current and future needs of local communities. The primary source of imported water for the Agency is the SWP, which has experienced and continues to experience risks to available water supplies. The Agency engages in actions that estimate local community needs and ensure access to sufficient imported water supplies, with a focus on reliability and sustainability. Often, these actions require close collaboration with other SWP contractors.

3. Develop, manage, and maintain water portfolio and infrastructure to provide reliable water supplies. (Supports achieving Goal 1)

Once sufficient water supplies are identified and obtained, the Agency takes actions to ensure availability and accessibility of water supplies for local use. These actions include managing the Agency's portfolio of water supplies to ensure water availability during times of need as well as

developing and maintaining the infrastructure to store and convey the water supplies to the areas of need.

4. Achieve urban water use efficiency consistent with current locally established efficiency targets. (Supports achieving Goal 1)

To ensure maximum benefit of the local and imported water supplies, the Agency intends to collaboratively set, periodically update, and achieve a water use efficiency target (expressed in gallons per capita per day) primarily through conservation efforts. The Agency's water use efficiency actions focus on collaboration, education, and outreach with other stakeholders and local communities.

5. Cultivate organizational culture that successfully recruits, retains, trains, and develops effective team members and leaders to fulfill our mission. (Supports achieving Goal 2)

The Agency's leadership and team members are key to the successful implementation of the Agency's strategic plan and fulfillment of the Agency's mission. The Agency recognizes the need to recruit, retain, train, and develop team members expeditiously to ensure successful succession planning including institutional knowledge transfer and retention. Additionally, the Agency recognizes the importance of maintaining a positive and safe organizational work environment and culture.

6. Employ robust technology, science, and data management systems to support effective operations and decision making to address the highest risks. (Supports achieving Goal 2)

As the Agency faces a variety of risks, the Agency is committed to making basin management and operations decisions informed by sound, reputable, and factual data sources. The Agency prioritizes actions that support that decisions are made using the most reliable information technology and sources.

7. Responsibly steward the availability of financial resources required to fulfill our mission. (Supports achieving Goals 1 and 2)

The Agency continuously works to assist in the development of sufficient revenues to fulfill our mission. Striving to provide sufficient resources includes accurately projecting revenues and costs, advocating for sound financial management for costs outside of the Agency's control, leveraging revenues to maximize services, and maintaining excellence in financial stewardship and accountability. This effort involves continuously and creatively planning for the most efficient and productive use of available resources.

8. Create and maintain an active risk register and risk mitigation strategies. (Supports achieving Goals 1 and 2)

The Agency is facing many sources of uncertainty that could affect the ability to fulfill its objectives. Some of those sources of uncertainties can be influenced directly by the Agency, and some cannot. Depending on the nature of the uncertainties, the Agency will need to take different approaches as appropriate to manage risks, mitigate consequences, or both and update this plan and initiatives accordingly.

9. Cultivate effective and collaborative working relationships with partner agencies, other responsible parties, and the public. (Supports achieving Goals 1 and 2)

The Agency recognizes that our mission and vision cannot be accomplished alone. Collaboration and coordination with partner agencies and other stakeholders are imperative to addressing risks and accomplishing our goals. The Agency prioritizes activities that promote effective working relationships and partnerships needed to help achieve our collective goals and objectives.

Priority Initiatives: May 2021

The priority initiatives believed to be necessary to achieve the Agency Vision, Mission, Goals, and Objectives are listed below. The Priority Initiatives are grouped by the most relevant objective and ordered by due date.

1. Manage groundwater basins sustainably.
 - 1.1. Update scope of work for Cal Rural to support small water systems in the region by June 30, 2021.
 - 1.2. Develop an understanding of the use of minimal producers and parties operating outside of the Judgement by August 31, 2021.
 - 1.3. Develop promising approaches to address water use by parties operating outside of the Judgement (including extensive cannabis grows) and present to Board for consideration and adoption by August 31, 2021.
 - 1.4. Develop an understanding of our communities' land use plans and future requirements for water to enable MWA to support those plans (to inform MWA Master Plan) by June 30, 2023.
 - 1.5. Update the Integrated Regional Water Management Plan by June 30, 2024.
 - 1.6. Support Watermaster in its function to fulfill ongoing court mandates and requirements under the Sustainable Groundwater Management Act (SGMA). (Ongoing)
 - 1.7. Support responsible parties within the MWA Service area to fulfill their obligations under SGMA. (Ongoing)
 - 1.8. Gather, synthesize, and interpret data to monitor aquifer conditions and groundwater trends related to sustainability, highlighting any uses operating outside the judgement. (Ongoing)
 - 1.9. Update the Ames / Rece Groundwater Plan annually and ensure production safe yield is achieved and maintained. (Ongoing)

2. Identify and maintain access to imported water supplies in sufficient quantities that, when combined with local supplies, will meet Urban Water Management Planning Act requirements which support local communities' land use plans.
 - 2.1. Update the Urban Water Management Plan by June 30, 2021.
 - 2.2. Monitor progress (e.g., expected annual deliveries from SWP and expected unit costs) in the Delta Conveyance Project and make recommendation whether to continue investment by January 1, 2023.
 - 2.3. Participate in the CVP/SWP Biological Opinion/ITP litigation and potential remand/re-consultation processes to manage associated operational and environmental requirements and costs and bring recommended action to the Board by December 31, 2023.
 - 2.4. Coordinate with other SWP Contractors to track implementation and equity of the Coordinated Operations Agreement (COA). (Ongoing)
 - 2.5. Participate in the Voluntary Agreement development process and the process to update the Delta Water Quality Control Plan. (Ongoing)

3. Develop, manage, and maintain water portfolio and infrastructure to provide reliable water supplies.
 - 3.1. Develop an Agency Service Area Groundwater Banking Policy that addresses variability in local and imported supply by December 31, 2021.
 - 3.2. Develop an Agency SWP Table A Water Supply Policy to guide optimal use of available imported supplies by December 31, 2021.
 - 3.3. Develop groundwater recharge facilities in Este Sub-Area by December 31, 2021.
 - 3.4. Develop an Asset Management Program, including identification of desired level of service, by June 30, 2022.
 - 3.5. Develop groundwater recharge facilities demonstration project in Oeste Sub-Area by June 30, 2022.
 - 3.6. Identify opportunities for 3rd party banking partnerships to help fulfill *Objective 7* by August 31, 2022.
 - 3.7. Identify all management agencies and requirements that could affect inflows into Mojave Basin Watershed by June 30, 2023.
 - 3.8. Develop a Capital Improvement Program (Master Plan) to align with water needs from future land use plans by June 30, 2023.
 - 3.9. Develop an initial annual operations plan and level of service requirements by December of each year consistent with the Groundwater Banking Policy, Imported Water Supply Policy, and SWP Allocations and update monthly as allocations change. (Ongoing)
 - 3.10. Establish, monitor, and / or maintain agreements on how the headwaters will be managed to manage the upper watershed for the benefit of all parties. (Ongoing)

4. Achieve urban water use efficiency consistent with current locally established efficiency targets.
 - 4.1. Update scope of work with Mojave Desert Resource Conservation District (MDRCD) focusing on conservation efforts by June 30, 2021.
 - 4.2. Develop a regional water use efficiency target in collaboration with local water utilities by December 31, 2021.
 - 4.3. Collaborate with Alliance for Water Awareness and Conservation (AWAC) members to develop an implementation plan by December 31, 2022 to achieve regional efficiency target.
 - 4.4. Collaborate with AWAC members to develop and implement education and outreach program consistent with the implementation plan by December 31, 2022.

5. Cultivate organizational culture that successfully recruits, retains, trains, and develops effective team members and leaders to fulfill our mission.
 - 5.1. Identify potential opportunities for growth within the Agency and define specific developmental pathways for each employee informed by individual interests and Agency resource needs by December 31, 2021.
 - 5.2. Develop a program to partner with local colleges to foster future staff (e.g., intern program, special studies/projects) by December 31, 2021.
 - 5.3. Document current functions the Agency is serving in terms of intended outcomes and key activities and rank based on how they help fulfill strategic objectives by December 31, 2022.
 - 5.4. Estimate staffing resource needs (including consideration of organization processes, roles, responsibilities and use of technology and/or consultants) to fulfill priority initiatives and ongoing high priority functions by December 31, 2022 and update annually.
 - 5.5. Develop a strategic staffing resource plan by December 31, 2022 which identifies needed talent, experience, and skills and a process to recruit and retain (e.g., competitive salary, benefits, and attractive working environment) the appropriate people.
 - 5.6. Implement the strategic staffing resource plan. (Ongoing)

6. Employ robust technology, science, and data management systems to support effective operations and decision making to address highest risks.
 - 6.1. Evaluate needs, opportunities, challenges, and constraints for long-term weather monitoring stations in key/strategic locations by June 30, 2022.
 - 6.2. Develop an Information Technology Strategic Plan that defines information needed for managing highest risks, supporting routine decisions, providing transparency, and improving customer support and evaluates current Agency technology and recommends updates where needed by December 31, 2022.
 - 6.3. Implement new technology to include hardware and software, to provide efficient data recording, monitoring and management of the Agency's assets and infrastructure to provide information on the timing and costs associated with replacement or repair by June 30, 2023.
 - 6.4. Continue cultivating partnership with USGS to maintain the highest quality of data. (Ongoing)

7. Responsibly steward the availability of financial resources required to fulfill our mission.
 - 7.1. Update the Financial Strategic Plan including a reevaluation of Agency water rates by June 30, 2022.
 - 7.2. Annually update expected revenue needs for the future 20 years. (Ongoing)
 - 7.3. Identify and pursue grant opportunities to increase the Agency's ability to fulfill Vision and Mission. (Ongoing)

8. Create and maintain an active risk register and risk mitigation strategies.
 - 8.1. Create risk register and initial risk mitigation strategies for all Agency objectives by December 31, 2021.
 - 8.2. Annually update risk register and identify initiatives necessary to address and mitigate identified risks. (Ongoing)

9. Cultivate effective and collaborative working relationships with partner agencies, other responsible parties, and the public.
 - 9.1. Develop plan for engagement with other State Water Project Contractors in our general region (Class 8 Contractors) to provide a unified voice on water supply and costs by June 30, 2021.
 - 9.2. Develop a communications and outreach plan to include ongoing efforts in engagement and public relations by December 31, 2021.
 - 9.3. Continue cultivating partnerships with key government agencies, organizations, and other stakeholders (e.g., SWP Contractors, USBR, Lahontan RWQCB, Colorado RWQCB, USGS, etc.). (Ongoing)