



...A United Voice for the Santa Ana Watershed

**NOTICE AND AGENDA  
OWOW STEERING COMMITTEE MEETING  
Thursday, May 17, 2012 – 3:00 p.m.**

*Steering  
Committee  
Members*

**Ron Sullivan**  
SAWPA

At SAWPA, 11615 Sterling Avenue, Riverside, CA 92503

**George Aguilar**  
SAWPA

**AGENDA**

**Bill Campbell**  
Orange County

**1. Welcome and Introductions** Ron Sullivan

**2. Public Comments**

Members of the public may address the Commission on any item that is within the jurisdiction of the Commission; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

**Marion Ashley**  
Riverside County

**Josie Gonzales**  
San Bernardino  
County

**3. Sustainable Water Rates and the Proposition 84, Round 2  
OWOW Process Framework, and Timeline (SC#11)**

Celeste Cantú  
Tom Ash  
Salvador Lopez

- Sustainable Water Rates Presentation
- Staff Presentation

**Recommendation:** Because workshops are scheduled between the agenda posting and the meeting, and staff wants to receive and incorporate those public comments, the staff recommendation will be posted and sent to the OWOW Steering Committee after the final workshop on May 16, 4 p.m.

**Beth Krom**  
City of Irvine

**Ron Loveridge**  
City of Riverside

**Pat Morris**  
City of San Bernardino

**4. Approval of Performance Measures, Indicators, and  
Weighting of the Selection Criteria (SC#12)**

Celeste Cantú

**Recommendation:** Approve the performance measures, indicators, and weighting of the selection criteria and recommend ratification by the SAWPA Commission.

**Ali Sahabi**  
SE Corporation

**Garry Brown**  
Orange County  
CoastKeeper

**5. Informational Reports/Updates**

Celeste Cantú

**Recommendation:** Receive and file.

**Steve PonTell**  
Regional Water Quality  
Control Board

**A. OWOW Conference**



6. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Committee by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Committee votes, unless any Committee members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. **Approval of the Minutes from the Meetings held on 3-15-12**

**Recommendation:** Approve as mailed.

7. **Announcements**

Celeste Cantú

NEXT MEETING: **Thursday, July 19, 2012 - 3:00 p.m. at SAWPA**

A. **Scheduling of Future Meetings - 2012 Meeting Schedule**

**Recommendation:** Discuss and provide direction regarding scheduling.

Thursday, July 19, 2012

Thursday, September 20, 2012

Thursday, November 15, 2012

8. **Adjournment**

Ron Sullivan

Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Clerk of the Board, Patti Bonawitz at (951) 354-4230, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

**PLEASE NOTE**

Materials related to an item on this agenda submitted to the Steering Committee after distribution of the agenda packet are available for public inspection in SAWPA's office located at 11615 Sterling Avenue, Riverside, during normal business hours. Also, such documents are available on the Authority's Website at [www.sawpa.org](http://www.sawpa.org), subject to staff's ability to post documents before the meeting.

**Declaration of Posting**

I, Patti Bonawitz, Clerk of the Board of the Steering Committee/Santa Ana Watershed Project Authority certify that a copy of this agenda has been posted in the Agency's office at 11615 Sterling Avenue, Riverside, California by 3:00 p.m. on Monday, May 14, 2012.

  
Patti Bonawitz

## **OWOW STEERING COMMITTEE MEMORANDUM NO. 11**

**DATE:** May 17, 2012

**TO:** Steering Committee

**SUBJECT:** Sustainable Water Rates and the Proposition 84, Round 2 OWOW Process Framework, and Timeline

**PREPARED BY:** Celeste Cantú, General Manager

### **RECOMMENDATION**

Because workshops are scheduled between the agenda posting and the meeting, and staff wants to receive and incorporate those public comments, the staff recommendation will be posted and sent to the OWOW Steering Committee after the final workshop on May 16, 4 p.m.

### **DISCUSSION**

The SAWPA Commission deferred consideration of approval of the Proposition 84, Chapter 2 IRWM framework for funding criteria to its June meeting and directed staff to take back to the OWOW Steering Committee the consideration of the framework, namely, the reconsideration of the “Sustainable Water Rates” gate.

SAWPA will receive public comment on the proposed framework and specific criteria at workshops scheduled at SAWPA on May 10, and May 16, and at the San Bernardino Valley Municipal Water District on May 14. This memorandum sets out the alternatives that have been suggested as of May 14. As of May 10, three comment letters were received and are attached. There are 71 water retailers in the watershed. After comments are received on May 16, staff will formulate a recommendation for consideration by the OWOW Steering Committee.

### **Background**

#### **The Goals of Integrated Regional Watershed Management (IRWM)**

IRWM’s main goal is to sustainably meet California’s 21st Century economic and ecological water needs. Addressing the Santa Ana River Watershed’s complex water challenges requires an integrated and comprehensive strategy. Our effort is to create a strategy leading toward a resilient and reliable water supply that ensures our economic and ecological health. We cannot accomplish this strategy by building projects alone, we also must improve the overall water resource management.

The most basic principle of IRWM, and thus OWOW, is the necessity that every investment and action maximizes multi-purpose, multi-jurisdiction, and multi-benefit types of projects, and creates synergies and efficiencies. As we examine our policies, institutional designs, and practices, we see where we create unintended consequences for ourselves or others. The promise of IRWM is that we no longer solve our problems one by one, but instead find systems of problems to solve at their source.

IRWM directs us to set priorities for our watershed that reflect our specific goals and needs to provide incentives to do the work needed to manage resources on a watershed-wide level.

**Should SAWPA/OWOW use Sustainable Water Rates as a Criterion to Incentivize Water Use Efficiency?**

OWOW would like to use sustainable water rates to incentivize water use efficiency, pollution prevention, and create a sustainable revenue stream for water districts and cities.

Twentieth century water suppliers were extraordinarily successful in diverting, developing, and delivering high quality, inexpensive water to their customers. They have been so successful that almost every customer takes the reliability of that water for granted.

In the development of the OWOW Plan, increasing residential water use efficiency emerged as the number one priority in the comprehensive water resource management in the Santa Ana River Watershed. One might say we have been looking for water to fill a leaking bucket, while our first priority should be to stop the leak.

Studies estimate that 20% to 40% of residential water is waste. Most of the waste happens outside the home through inefficient landscape irrigation. The runoff carries toxics creating water pollution downstream.

The goals that the proposed rate structure is intended to achieve water use efficiency greater than the 20% reduction required by law by the year 2020. Also, water use efficiency gives us water reliability, pollution prevention, the creation of partnerships, and the development of the water ethic. SAWPA has only limited tools to be able to address these goals, yet the State will hold SAWPA accountable for addressing them.

Successful applications for Proposition 84, Chapter 2 IRWM funding will have many partners, but there will be a lead agency who will act as the single point of contact. The lead agency could partner with water retailers who do not have sustainable water rates and be eligible, but if the lead agency is a water retailer, the agency would need to have adopted the sustainable rate structure, or commit to adopting such a structure under the original proposal.

**The Argument for Sustainable Water Rates**

We need to exceed State mandated, current demand reduction targets of 20% reduction by 2020 to be reliable and sustainable.

Cities are looking to water resource managers to take responsibility for dry weather water runoff, urban slobber, which runs off our yards and down our streets carrying animal waste, fertilizers, and other toxins, hitting rivers and lakes with a toxic sludge of pollutants. Cities are required by their MS4 permits and TMDLs to address and clean-up that pollution, and can partner to reach compliance with water purveyors.

A sustainable water rate is an excellent example of how one action can solve many problems. For this reason, it is known as the gold standard of water rate structures. The goal is not only to reduce water waste, but to send a price signal that incentivizes the consumer to achieve a specific level of water use efficiency, to use what is needed for their specific needs, and not to simply cut back.

The consumer is given the ability to determine how water is used within an allocation. If the consumer achieves this level of efficiency in the landscaped area, no water will run off their yards transporting pollutants to a receiving body of water. The sustainable water rate structure is planned to create a dependable revenue stream to the water district. So, one action results in six distinct solutions:

1. Residential customers achieve water use efficiency
2. Urban runoff polluting water bodies is eliminated
3. A secure revenue stream for the water district
4. A new revenue stream could be created for MS4 implementation
5. An equitable distribution of charges based on use
6. An affordable charge for inside or lifeline use

The OWOW Steering Committee is looking for ways to incentivize the most efficient use of water while preserving a high quality of life, and sustainable rates appear to be the only candidate to accomplish these multi-purpose goals.

Sustainable water rates are responsive to the region's different climate, different seasons, different size families, and different size lots. They are not one size fits all. They are a framework that accommodates the individual needs of each customer and let them decide how they use water. And sustainable water rates have proven over several decades to be successful in their goals.

### **Analysis of Current Water Conservation Achievement, is it Sustainable? How do we Hard Wire it?**

Water districts run expensive public relations campaigns encouraging their customers to conserve water in response to drought or temporary cut backs. This program has been the traditional basis of conservation efforts. No matter how much water you use, you are called to reduce by 20% for example. The egregious water waster and the good water steward both reduce by 20%. The prevailing thought is that conservation is a necessary response to a temporary situation such as a drought. This is hardly fair to all, not effective, and not sustainable. Water is still being wasted, and the careful user is much inconvenienced and will revert when the emergency or drought is over. It creates a negative, resentful relationship between the careful customer and the water district. The "equal" application of a single rate for all customers is hardly a fair or sophisticated rate design. Those who are efficient are not rewarded with a lower cost for water, and those who are inefficient are asked to subsidize those who waste water.

On May 9, 2012, The *Los Angeles Times* ran an article showing that LADWP customers successfully reduced water consumption by 20 percent between 2009 and last summer and then water uses started creeping up. Single-family residential customers accounted for the bulk of the increase, using five percent more water during that period. So we are seeing that in the absence of the sustainable water rate, use increases.

We have received three comment letters, which suggested using the CUWCC approved pricing models for grant eligibility instead of the sustainable water rate gate. Compliance with CUWCC requirements is, of course, already a requirement to be eligible for any State grants. OWOW/SAWPA are considering raising the bar to focus on a rate model that will achieve our own regional plan's goals. The CUWCC approach is intended to satisfy a statewide range of circumstances, while we may find a narrower range of approaches to be best suited to the goals of this watershed. Moreover, the CUWCC goal of promoting conservation is only one of several goals of OWOW.

There is no way agencies can measure individual customer efficiency without an individualized budget. The success or effectiveness of a rate structure simply can't be measured by water conserved alone. If that was the single goal, then all rates have been effective in the last three years because use has decreased. However, this reduced use is in some part due to a poor economy and a short wet period. Yet, customers are continually frustrated with water agencies over price increases due to lower sales. In their minds, conservation has been rewarded with the penalty of a rate increase.

### **Alternatives for Consideration**

Currently, there are five scenarios regarding water rates under discussion as criteria for Proposition 84, Chapter 2 IRWM Grant Funding.

1. Alternative I: Original Proposal
  - a. The OWOW Steering Committee has proposed a grant eligibility requirement to incentivize water use efficiency that water retailers, who are lead applicants, have Sustainable Water Rates, also described as water budget-based tiered rates, or be moving in a committed way toward sustainable water rates in order to compete for grant funding.
2. Alternative II: Adopted CUWCC Rate Structure
  - a. A retail agency is eligible to compete for funding if it has or is in the process of adopting an allocation-based or Sustainable Water Rate structure, or
  - b. A retail agency is eligible to compete for grant funding if it can demonstrate that its rate structure is endorsed by the CUWCC and "uses pricing signals to effectively raise customer awareness and curb inefficient use" and is "as effective as" an allocation-based rate structure in achieving water use efficiency;
    1. Comparable in water conservation; and
    2. Comparable in related IRWMP goals.

3. Alternative III: No Gate

Under the No Gate scenario, preference points could be used to incentivize water use efficiency.

4. Alternative IV: Preference Points for Sustainable Water Rate

A retail agency is eligible for preference points if it has adopted Sustainable Water Rates, or is moving in a committed way toward adopting Sustainable Water Rate.

5. Alternative V: Preference Points for As Effective As Sustainable Rates

- a. A retail agency is eligible for preference points if it has adopted Sustainable Water Rates or rates deemed to be “as effective as” sustainable rates shall receive additional scoring credit for their project submittals.
- b. Rates will be deemed to be achieving “as effective as” performance to sustainable water rates based upon the following:
  - i. Meeting SB7X water use efficiency standards for year 2020 at the time of application; and
  - ii. Comparable performance in achieving related IRWMP goals

The aforementioned scoring enhancement would be structured not to penalize or affect the ranking of projects submitted by non-retail water agency applicants (i.e., wholesale water agencies, flood control agencies, groundwater management agencies, or combinations, thereof).

**Process Framework and Timeline**

The proposed process framework and timeline for grant funding is attached. These matters have been vetted with the public in a workshop held on February 2, 2012, OWOW Climate Change Public Workshop held at Orange County Water District, and on March 8, 2012, OWOW Public Workshop held at SAWPA. Comments were received and incorporated into this revised process framework.

**RESOURCE IMPACTS**

None.

CC:pb

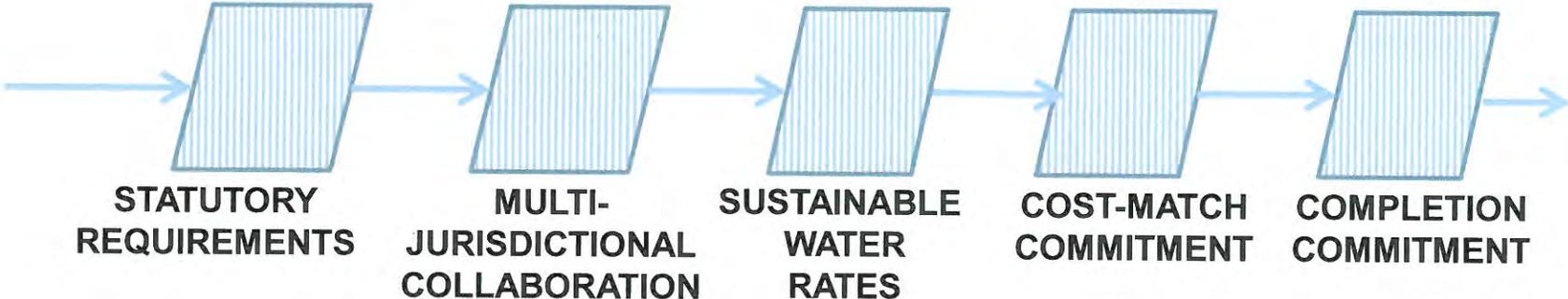
Attachments:

1. Slides of Eligibility thresholds (gates)
2. Draft Minutes from the 4-17-12 SAWPA Commission Meeting
3. Comment Letters/Responses
4. Process Framework and Timeline

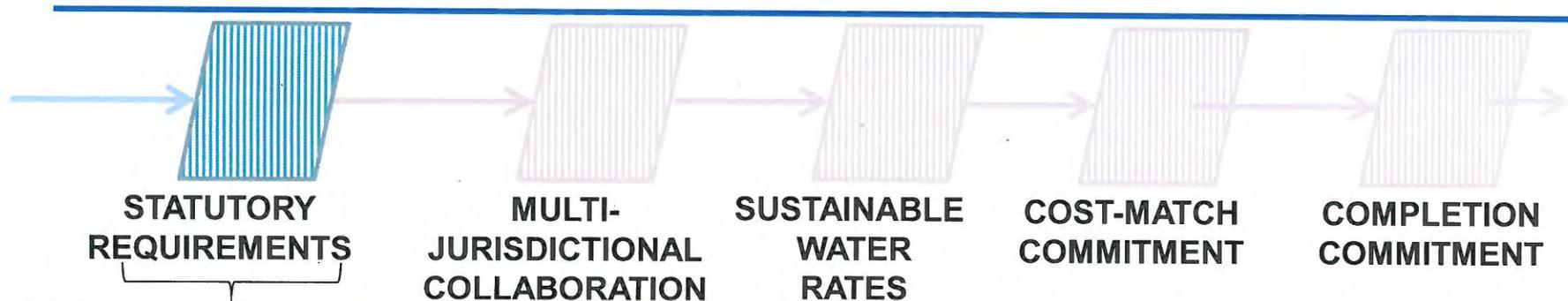


# Eligibility thresholds (gates) being considered

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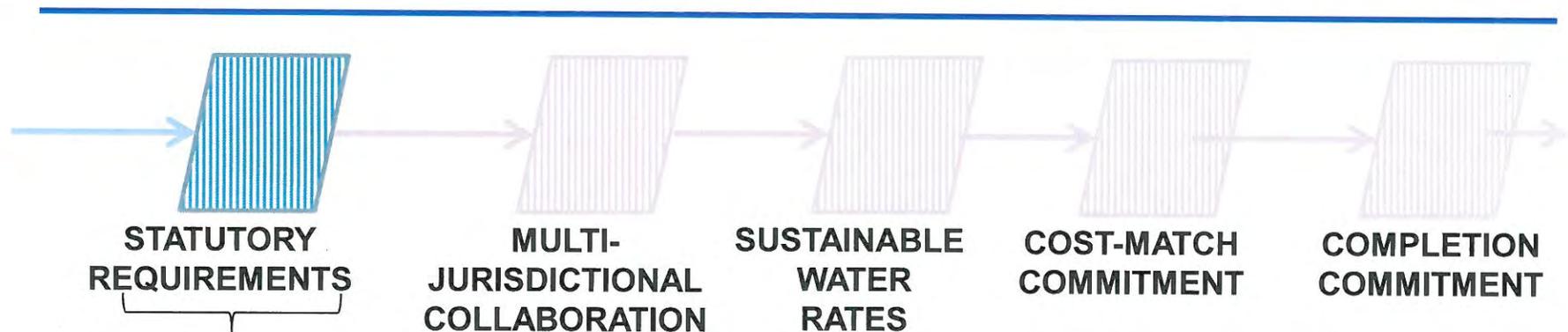
# Eligibility thresholds (gates) being considered



## DWR baseline eligibility criteria for funding

- Proposed project must be consistent with adopted IRWM Plan
- Groundwater Management Plan compliance – for groundwater management and recharge projects
- Urban Water Management Planning Act compliance – Water suppliers required by Act to submit UWMP
- AB1420 compliance - An urban water supplier may be eligible for a water management grant or loan if it demonstrates that it has, or is implementing or scheduling the implementation of Best Management Practices, per California Urban Water Conservation Council
- CWC §529.5 Compliance – Sponsors applying for wastewater treatment, water use efficiency, drinking water treatment, or new or expanded water supply must meet water meter requirements
- CWC §10920 Compliance – groundwater monitoring program

# Eligibility thresholds (gates) being considered

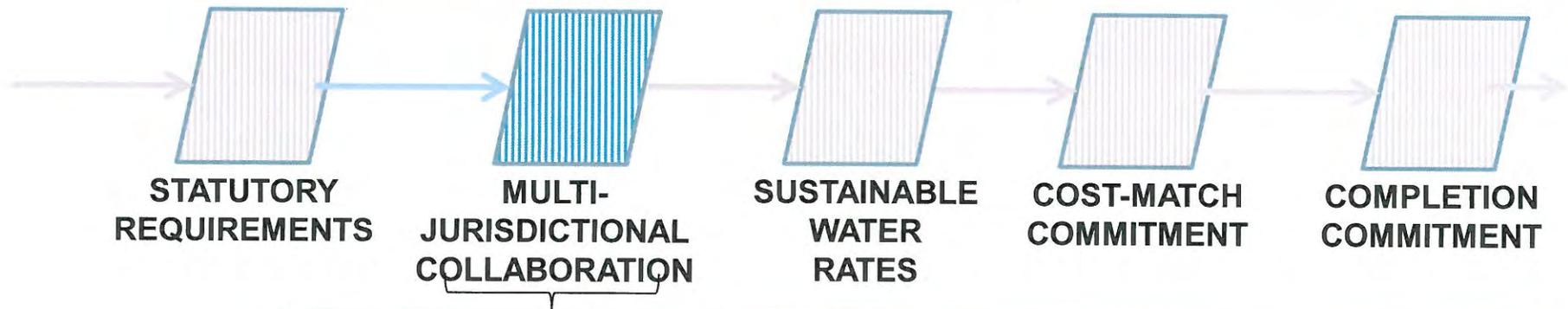


**Definition:** Project or program must be in one or more of the eligible categories:

- Water supply reliability, conservation and use efficiency
- Stormwater capture, storage, cleanup, treatment and management
- Removal of invasive species; wetlands creation or enhancement; acquisition, protection and restoration of open space
- Non-point source pollution reduction, management, monitoring
- Groundwater recharge and management
- Contaminant and salt removal, reclamation, desalting and conveyance to users
- Water banking, exchange, reclamation and improvement of water quality
- Planning and implementation of multipurpose flood management programs
- Watershed protection and management
- Drinking water treatment and distribution
- Ecosystem and fisheries restoration and protection

# Eligibility thresholds (gates) being considered

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## Definition:

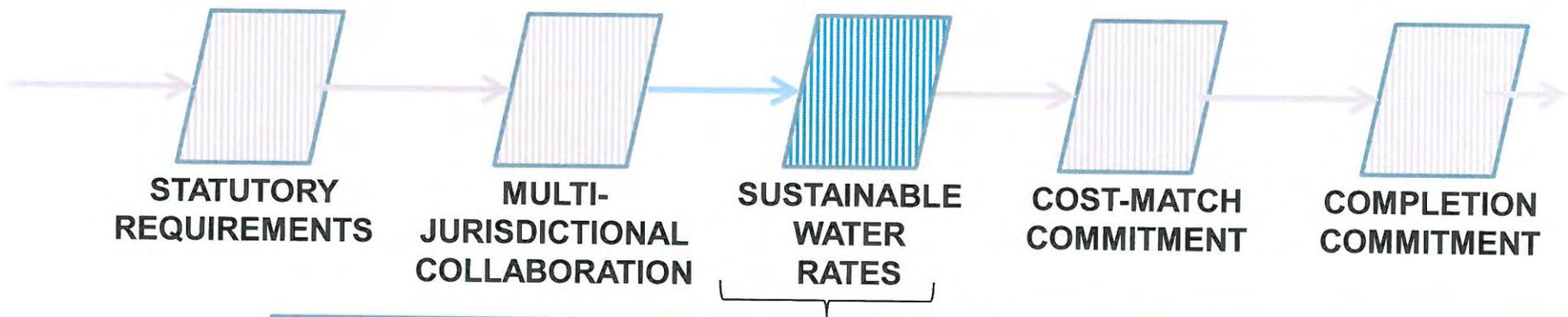
- Project or program will provide direct benefit to more than one jurisdiction (legal entity)
- Collaboration among functional disciplines
- Proven commitment by more than one jurisdiction to implement and operate project or program

## Documentation:

- Collaboration resulting in a Memorandum of Understanding among sponsoring agencies committing to the joint development of the project or program
- Inclusion of project or program in the budget or capital improvements plan (for projects only) of the sponsoring agencies

# Eligibility thresholds (gates) being considered

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## Definition:

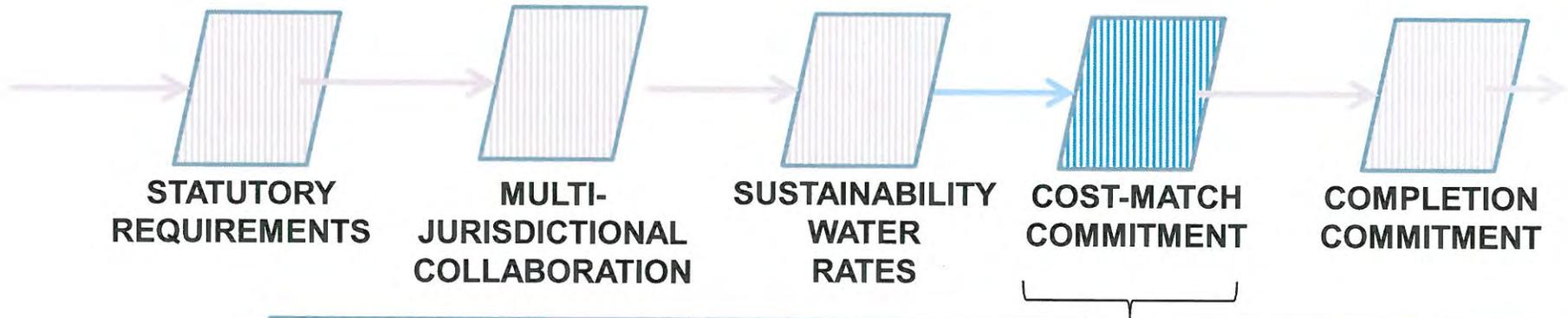
- Lead water retail agency applicant is eligible for grant funding if it has in place a water budget-based rate structure or is implementing or scheduling for implementation one

## Documentation:

- Adoption of a budget-based rate structure or documentation of being in the process of implementing one

# Eligibility thresholds (gates) being considered

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## Definition:

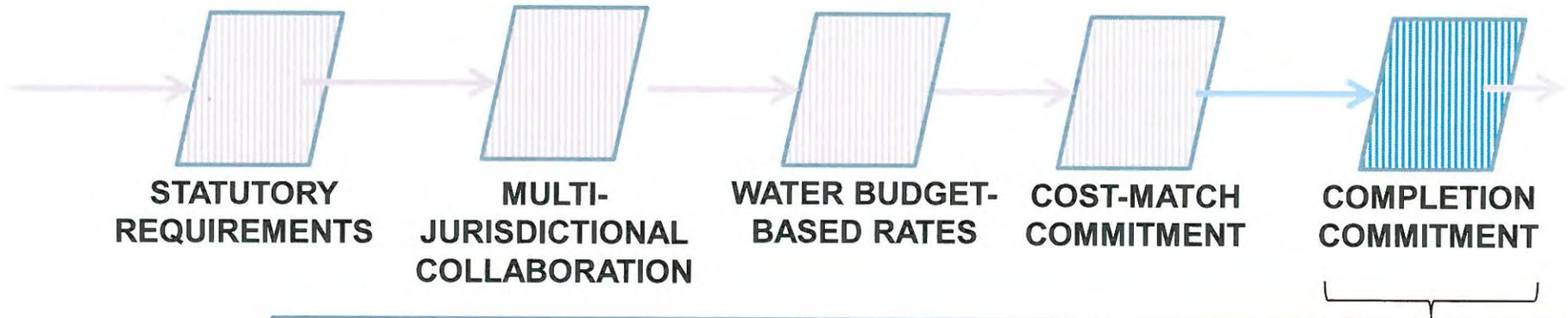
- Individual proposals must commit to providing a minimum 25% of implementation cost as match contribution (a waiver could be considered under certain circumstances)

## Documentation:

- Board resolution committing to match by project sponsor

# Eligibility thresholds (gates) being considered

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Definition:

- Sponsors must commit to complete program implementation or project construction within five (5) years after grant approval notification

Documentation:

- Detailed credible implementation schedule



# SAWPA Commission

## Meeting Minutes

April 17, 2012

### COMMISSION MEMBERS PRESENT

Terry Catlin, Chair  
Phil Anthony  
Don Galleano  
Ron Sullivan  
George Aguilar

### REPRESENTING

Inland Empire Utilities Agency  
Orange County Water District  
Western Municipal Water District  
Eastern Municipal Water District  
San Bernardino Valley MWD

### OTHERS PRESENT

Josie Gonzales  
Tom Evans  
Angel Santiago  
Tom Love  
Pari Dezham  
Craig Proctor  
Eric Grubb  
Viet Pham  
Shelley Zmija  
Joe Zoba  
Bobby Young  
Danny Leveasciano  
Don Lee  
Fred Knifes  
Ken Vecchiarelli  
Michael Markus  
Robert Ennis  
Steve Johnson  
Eliseo Ochua  
Garry Brown  
Russ Miller  
Eileen Takata  
Peer Swan  
Paul Jones  
Paul Schoenberger  
Celeste Cantú  
Rich Haller  
Larry McKenney  
Karen Williams  
Mark Norton  
Dean Unger  
Jeff Beehler  
David Ruhl  
Carlos Quintero  
Patti Bonawitz

Supervisor, County of San Bernardino  
Western Municipal Water District  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Inland Empire Utilities Agency  
Cucamonga Valley Water District  
Mission Linen Supply  
City of Corona, DWP  
Yucaipa Valley Water District  
RMC  
IPC  
Tetra Tech  
K Pure Waterworks  
Yorba Linda Water District  
Orange County Water District  
Orange County Water District  
SCE  
Elsinore Valley Water District  
Orange County Coastkeeper  
EnerTech, Inc.  
US ACOE  
Irvine Ranch Water District  
Eastern Municipal Water District  
Mesa Consolidated Water District  
SAWPA, General Manager  
SAWPA, Executive Manager of Engineering and Operations  
SAWPA, Executive Counsel  
SAWPA, Chief Financial Officer  
SAWPA, Manager of Water Resources and Planning  
SAWPA, Manager of Information Services and Technology  
SAWPA, Program Manager  
SAWPA, Program Manager  
SAWPA, Project Manager  
SAWPA, Clerk of the Board

### NEW BUSINESS - WATERSHED-WIDE CONCEPTS' ENDORSEMENT (CM#8618)

Celeste Cantú reviewed the 13 watershed-wide concepts that are key examples of watershed-based water resource concepts, and when implemented throughout the watershed as a single project or series of projects, can provide tangible, measureable benefits to multiple stakeholders. Today's review is of the project framework and not the weighting of the 13 project concepts. She discussed the project timeline and project criteria selection (Item 3B).

Prior to receiving public comments, discussion ensued regarding both Items 3A and 3B, the Round 1 projects list, the “gates” and watershed-wide concepts, specifically the “sustainable water rates” gate, the timeline, and the schedule of additional public workshops. Commissioner/OWOW Convener Ron Sullivan encouraged SAWPA Chair Catlin to call upon OWOW Steering Committee members, Supervisor Josie Gonzales and Garry Brown.

San Bernardino County Supervisor and OWOW Steering Committee member, Josie Gonzales addressed the Commission. She acknowledged that this topic is attracting good and much-needed attention. As an OWOW Steering Committee member, she stated that we have very important decisions to make regarding water and the role it plays, and the power we have to change how water will impact our lives in the future. She is proud that the Steering Committee recommendation moves us closer to adoption or a commitment to adopt sustainable water rates as a gate to achieving the vision of this living document. The 13 watershed-wide project concepts and the revised selection criteria for the investment in Proposition 84, Round 2 funds are based on the planning principles contained within the OWOW Plan. She stressed the importance of a holistic and systematic approach to watershed management. The OWOW Plan certainly must advance a paradigm change from water supply to a water resources management mentality. We need to apply a “new water ethic” in everything we do. We must start thinking of our future in an entirely different view – a system-wide, watershed-wide approach versus our own footprint that we represent or serve. The Commission needs to approve these 13 watershed-wide concepts, the framework, and the selection criteria. We must think in the 22<sup>nd</sup> and 23<sup>rd</sup> centuries’ mode and become “partners” in our watershed’s water delivery system to enable each other, rather than the competition that has existed in the past.

Orange County Coastkeeper Executive Director and OWOW Steering Committee member Garry Brown addressed the Commission. He serves as the environmental member on the Steering Committee. He stated that we, in Southern California, have developed the most innovative water projects in the State, and we need to continue with that innovation. OWOW is innovative and it is working, and we need it for our future. We must look at the watershed as a whole, not from within our own silos. He encouraged the Commission to ratify the OWOW 2.0 process framework and project concepts.

After some discussion, Chair Catlin read a modified recommendation for the Commission’s consideration, as follows:

1. *A retail agency is eligible for grant funding if it can demonstrate that its rate structure is “as effective as” an allocation-based rate structure in achieving water conservation;*
2. *That an agency is still eligible to receive funding if it is in the process of converting to an allocation-based or other equally effective conservation rate structure, or is anticipating converting within a certain period of time;*

*and in addition, that staff develop and bring back recommendations for:*

3. *SAWPA to provide contract technical expertise that can be made available to assist retail agencies wishing to convert to an allocation-based rate structure; and*
4. *A specific set-aside amount of the Proposition 84, Round 2 money, subject to the Commission’s approval, for modest grants to assist agencies with implementation costs associated with an allocation-based rate structure.*

Discussion further ensued regarding the terminology of the three words “allocated” versus “water budget” versus “tiered” rate structures, and that all three words encourage water conservation. Chair Catlin then called for public comments.

Yorba Linda Water District General Manager, Ken Vecchiarelli addressed the Commission. He said that all the work that has been done is incredible. However, he is concerned with the proposed “sustainable water rates” gate and questioned whether or not this gate refers to retail agencies. Celeste Cantú replied that, at this point, it refers to retailers. He also stated that there is a lot of benefit in using the proper terminology, i.e., conservation and water-use efficiency are two words, yet the same results occur. He urged the Commission to consider appropriate terminology, and further stated that the selection criteria also should be revised so that all water rate structures endorsed by the California Urban Water Conservation Council shall be able to qualify for OWOW funding.

Mesa Consolidated Water District General Manager, Paul Schoenberger addressed the Commission. He stated that his Board is in favor of the 13 watershed-wide concepts, with the one exception that the “sustainable water rates” be modified to embrace the statewide effort and best management practices allowed by the California Urban Water Conservation Council. This Council endorses four water rate structures: uniform rates, seasonal rates, tiered rates, and allocation-based rates. He then presented a chart that was reflective of several water agencies using other rate structures that were very effective with water conservation. He concluded stating that going with just one rate structure in the “sustainable water rates” gate is very restrictive, and he is not sure that was the intent of the Commission.

Wearing two hats as Director on the Orange County Water District Board and on the Mesa Consolidated Water District Board, Shawn Dewane addressed the Commission. In the spirit of diplomatic relations, he encouraged the Commission’s consideration to modify the “sustainable water rates” gate. He then suggested that this topic be discussed at the next WACO meeting to make other agencies aware of this gate. He also offered to present their rate structure (that works as well) as an opportunity to prove these facts. By limiting the “sustainable water rates” gate to just one rate structure, it would discourage opportunities among the water monopolies to apply for Round 2 funding.

Peer Swan, Board Member of Irvine Ranch Water District and OWOW Pillar, addressed the Commission. He supports the 13-watershed-wide concepts. “We ought to come up with a cooperative program; unfortunately, one size doesn’t fit all.” He encouraged that we look at what the domestic users (referencing residential) are using on per capita. He referenced Section 5.1 in the OWOW Plan that contains a number of recommendations/goals. And those goals are missing the targets. He challenged the Commission that before they go into the selection process that they come up with “targets” in the judging/ranking of the projects that are based on how well they are achieving the goals in the Plan. Discussion further ensued regarding that the “gates”. Commissioner Sullivan stated that we need to find an equitable way to distribute the money, and it should be given to those who are willing to try to do things a little differently. Commissioner Anthony suggested deferring any action on this one specific gate until everyone was more comfortable and understood it.

Larry McKenney reminded the Commission that they had delegated and tasked the Steering Committee to develop the ranking material, and that the Commission was to ratify the actions of the Steering Committee. If the Commission wished to modify the Steering Committee’s recommendation, the Commission needs to refer the recommended alternative language back to the Steering Committee for their consideration and revision. Then, the Steering Committee would bring their revised recommendation back to the Commission for ratification.

After much discussion regarding equity, the gates, and the project selection criteria, Commissioner Aguilar made a motion.

Upon motion by Commissioner Aguilar, and seconded by Commissioner Anthony:

**12-04-02**

**MOVED**, approval of all the watershed-wide concepts, with the exception of the “sustainable water rates” gate, and ask that each Commissioner go back to their respective districts and make sure that their retailers can qualify for Proposition 84, Round 2 funding.

Commissioner Aguilar added that everybody must have buy-in. Discussion further ensued regarding combining the actions of Items 3A and 3B, and urgency of these items, or could they simply be continued, or referred back to the Steering Committee. The Commission asked if these issues have been vetted with the stakeholders. Staff replied yes, and that there are more workshops regarding the process and schedule prior to the June 19th Commission meeting. Larry McKenney stated that the “gates” issue is completely separate from the 13 watershed-wide project concepts issue. Commissioner Galleano questioned the urgency of these two agenda items, expressed concerns regarding Jurupa Community Services District qualifying for Proposition 84, Round 2 funding, and then made a motion.

Upon motion by Commissioner Galleano,

**12-04-03**

**MOVED**, approval to continue these two agenda items.

Chair Catlin reminded the Commission that there is a motion on the table; however, Commissioner Anthony commented that if there is a “motion to defer”, that motion could trump the pending motion on the table. Discussion further ensued regarding clarification of the pending motion. Celeste Cantú recommended that the Commission approve the 13 watershed-wide concepts, which would allow staff to continue their work in developing those concepts. The gates issue is separate - Item 3B. It was the consensus of the Commission to take action on these two items separately. Chair Catlin requested clarification of Commissioner Aguilar’s pending motion, which combined the two issues.

Commissioner Galleano suggested that Commissioner Aguilar amend his motion.

Upon amended motion by Commissioner Aguilar, and seconded by Commissioner Anthony, the motion unanimously carried:

**12-04-04**

**MOVED**, ratification and endorsement of the “watershed-wide concepts” as defined in the Master Craftsmen White Paper entitled, *OWOW – Santa Ana River Watershed Planning Framework* as examples of projects to be implemented to “raise the bar” in OWOW 2.0, Proposition 84 IRWM, Round 2.

Discussion further ensued regarding whether or not Item 3B (Proposition 84, Round 2 Selection Criteria and Timeline CM#8620) needed a motion.

Upon motion by Commissioner Aguilar, and seconded by Commissioner Anthony, the motion unanimously carried:

**12-04-05**

**MOVED**, approval to refer back the selection criteria including the gates, timeline, and process framework to the Steering Committee for further deliberation.

There are more public workshops scheduled and Chair Catlin encouraged the public to participate at the “front-end” by attending these public workshops to vet their concerns.

**PROPOSITION 84, ROUND 2 SELECTION CRITERIA AND TIMELINE (CM#8617)**

Discussion and action were rolled into the above item.

**SANTA ANA RIVER WATERSHED AWARDS (CM#8620)**

Celeste Cantú briefly reviewed the proposed recipients for the 2012 SAWPA Watershed Awards.

Upon motion by Commissioner Anthony, seconded by Commissioner Aguilar, the motion unanimously carried:

**12-04-06**

**MOVED**, approval of the following three recipients for the 2012 SAWPA Watershed Awards:

1. Congressman Jerry Lewis – Lifetime Achievement Award
2. Brian Moore, Deputy District Engineer, ACOE – Collaborative Vision Award
3. Ali Sahabi, CEO, SE Corporation – Environmental Business Leadership Award

**MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SAWPA AND THE UNITED STATES ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT FOR WATERSHED PLANNING AND PROJECT DEVELOPMENT (CM#8612)**

Jeff Beehler asked for authorization to initiate a MOU with the U.S. Army Corps of Engineers, Los Angeles District for watershed planning and project development.

Upon motion by Commissioner Anthony, seconded by Commissioner Galleano, the motion unanimously carried:

**12-04-07**

**MOVED**, approval and authorized staff to initiate a MOU with the United States Army Corps of Engineers, Los Angeles District to further collaborate in the planning and development of projects within the Santa Ana River Watershed.

**INLAND EMPIRE BRINE LINE ORDINANCE NO. 6 – PUBLIC HEARING (CM#8609)**

Rich Haller discussed the minor administrative amendments to Ordinance No. 6, which allows the use of alternate collection stations, use of electronic reporting, where applicable, updates requirements to match OCSO requirements, updates definitions and requirements to match the Code of Federal Regulations, and changes the word “SARI” to “Inland Empire Brine Line”. Chair Catlin opened the public hearing at 11:05 a.m. There were no public comments. He then requested that the Commission continue the public hearing to May 15, 2012, in order to allow sufficient time for the Regional Water Quality Control Board to complete their review.

Upon motion by Commissioner Galleano, seconded by Commissioners Anthony/Sullivan, the motion unanimously carried:

**12-04-08**

**MOVED**, approval to continue the public hearing regarding the Inland Empire Brine Line Ordinance No. 6 to May 15, 2012.

Commissioner Galleano left the meeting room, and Alternate Commissioner Tom Evans assumed Western Municipal Water District’s seat at 11:12 a.m.

**BRINE LINE ON-CALL SERVICES (CM#8614)**

Carlos Quintero reviewed the proposed scope of project work to be completed, and then requested Commission authorization for staff to prepare and issue a RFP for brine line on-call services. Discussion ensued regarding whether or not there is a need for the Commission to review a RFP before staff releases it. Commissioners Aguilar and Anthony requested that staff provide a RFP for their review prior to releasing, while Chair Catlin and Commissioner Sullivan did not believe it was policy-related or necessary.

Upon motion by Chair Catlin, seconded by Commissioner Sullivan, and Commissioners Aguilar and Anthony voting in the negative, the motion carried (3-2);

**12-04-09**

**MOVED**, approval and authorized the General Manager to issue a Request for Proposals for Brine Line on-call services.

**APPROVAL OF FYE 2013 AMENDED BUDGET (SECOND YEAR OF A TWO-YEAR BUDGET) (CM#8613)**

Karen Williams stated that the amended budget includes a \$50,000 allocation for accounting software. Discussion briefly ensued.

Upon motion by Commissioner Anthony, seconded by Chair Catlin, the motion unanimously carried:

**12-04-10**

**MOVED**, approval and adopted the FYE 2013 Amended Budget and directed each member agency to:

1. Notice the consideration of the FYE 2013 Amended SAWPA Budget on their next Board of Directors Meeting agenda; and
2. Approve by Board resolution, pursuant to the Joint Powers Authority Agreement, the FYE 2013 Amended SAWPA Budget.

**GENERAL MANAGER TO TRAVEL TO PRESENT KEYNOTE ADDRESS FOR THE UNIVERSITIES COUNCIL ON WATER RESOURCES (UCOWR) ON JULY 18, 2012 IN SANTA FE, NEW MEXICO (CM#8621)**

Celeste Cantu stated that she has been invited to present the keynote conference address for the Universities Council on Water Resources on July 18.

Upon motion by Chair Catlin, seconded by Commissioner Sullivan, the motion unanimously carried:

**12-04-11**

**MOVED**, Approve travel for the General Manager to present the keynote address before the Universities Council of Water Resources on July 18, 2012 in Santa Fe, New Mexico.

**OLD BUSINESS - INLAND EMPIRE BRINE LINE TSS FORMATION BILLING FORMULA (CM#8611)**

Rich Haller reviewed the proposed changes to the TSS formation billing formula (20% organics, 80% inorganics, and 447,000 lbs/month). The next workshop is scheduled for May 15 at 1:00 p.m. The reason to change the formula is to reduce the formation magnitude. Discussion briefly ensued regarding brine disposal costs. Commissioner Sullivan recommended that the SAWPA General Managers should get together and discuss further. He also stressed the importance of combining “all of our arms” when talking to the Bureau or other agencies.

Upon motion by Commissioner Sullivan, seconded by Commissioner Aguilar, the motion unanimously carried:

**12-04-12**

**MOVED**, approval of a revision to the Inland Empire Brine Line TSS Formation Billing Formula, and to establish a revised monthly target imbalance, effective with the March 2012 invoices.

**CONSENT CALENDAR**

Upon motion by Commissioner Anthony, seconded by Chair Catlin, the motion unanimously carried:

**12-04-13**

**MOVED**, approval of the Consent Calendar.

1. The Commission approved the Minutes from the meeting held on 4-3-12.
2. The Treasurer’s Report was approved.
3. The Commission adopted Resolution No. 2012-05, approving membership in the ACWA Joint Powers Insurance Authority (CM#8610).

**RESOLUTION NO. 2012-05**

**RESOLUTION APPROVING MEMBERSHIP IN THE ACWA JOINT POWERS INSURANCE AUTHORITY, CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND DIRECTING THE SANTA ANA WATERSHED PROJECT AUTHORITY TO EXECUTE ALL NECESSARY DOCUMENTS.** (For full text, see Resolution Book).

4. The Commission received and filed the disposal of surplus property (CM#8619).

**INFORMATIONAL REPORTS**

The following oral/written reports/updates were received and filed.

- A. Cash Transactions Report – February 2012
- B. Inter-Fund Borrowing – February 2012 (CM#8615)
- C. Performance Indicators And Financial Reporting – February 2012 (CM#8616)
- D. General Manager’s Report
- E. Chair’s Comments/Report
- F. Commissioners’ Comments

There being no further business for review, Chair Catlin adjourned the meeting at 11:24 a.m.

**APPROVED:**

May 15, 2012

\_\_\_\_\_  
Terry Catlin, Chair

2012-4-17 Min Rev PB 5-1-12

DRAFT



# Monte Vista

*Dedicated to Quality, Service and Innovation*

May 7, 2012

RECEIVED

Mark N. Kinsey  
GENERAL MANAGER

Mr. Tom Love  
Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, California 91708

MAY 08 2012

SANTA ANA WATERSHED  
PROJECT AUTHORITY

**Santa Ana Watershed Project Authority: Proposition 84, Round 2 Selection Criteria**

Dear Mr. Love:

On April 17, 2012, the Santa Ana Watershed Project Authority (SAWPA) Commission was asked to approve new selection criteria for the next round of Proposition 84 funding distribution through its "One Water One Watershed" (OWOW) process. We appreciate the Commission's decision to defer the item for further discussion and input from regional stakeholders. Monte Vista Water District would like to express concern with one of the proposed criteria, Sustainable Water Rates.

Since 2010, Monte Vista Water District has dedicated significant resources and staff time in developing and implementing a budget-based tiered rate structure for its single-family residential customers. That said, we do not believe this rate structure should be used as a "one size fits all" criteria for equitable distribution of funds for necessary regional water projects. There is no guarantee that the allocation criteria used by a water agency to create such a rate structure will lead to more efficient water usage by its customers. Also, different water agencies will have legitimate reasons for adopting different rate structures that may incentivize even greater efficiency. For instance, water agencies who are signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California may choose from four different rate structures to achieve coverage under Best Management Practice 1.4: Retail Conservation Pricing. All of these rate structures have been vetted through a rigorous review process and found capable of encouraging water efficient water use by the CUWCC. Accordingly, these rate structures should be considered as sustainable water rates for purposes of OWOW funding criteria.

Monte Vista Water District, like all other retail water agencies, is responsible for adopting water rates that equitably allocate costs for reliable water service to its water customers, as is required under the state constitution. The state also requires all retail water agencies to reduce urban water demands by 20 percent by 2020; the state, however, does not prescribe how retail agencies are to achieve this goal. We ask that IEUA hold SAWPA to this same standard, and not create a prescriptive and inequitable system of regional funding distribution based on the perceived benefit of one rate structure over others.

# Water District

Mr. Tom Love  
May 7, 2012

Please feel free to contact me if you have any questions.

Sincerely,

*Monte Vista Water District*



Mark N. Kinsey  
General Manager

cc: Santa Ana Watershed Project Authority ✓  
MVWD Board of Directors  
IEUA Retail Agency General/City Managers



# Santa Ana Watershed Project Authority

CELEBRATING 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

May 8, 2012

Mr. Martin E. Zvirbulis  
General Manager  
Cucamonga Valley Water District  
10440 Ashford Street  
Rancho Cucamonga, CA 91730-2799

Terry Catlin  
Commission  
Chair

**Re: Proposition 84, One Water One Watershed (OWOW) Funding Criteria**

Celeste Cantú  
General  
Manager

Dear Mr. Zvirbulis:

Eastern  
Municipal  
Water  
District

Thank you for your letter of April 27<sup>th</sup> regarding the proposed funding criteria for the expected next round of Proposition 84 funding. As you noted, the Commission deferred consideration of approval of the funding criteria to its June meeting. The Commission did so because it has agreed that the OWOW Steering Committee will develop and implement project ranking criteria, and it wanted the Steering Committee to consider the comments made to our Commission in April. The Steering Committee has already overseen significant public outreach on this topic. In addition, there are workshops scheduled at SAWPA on May 10<sup>th</sup> and 16<sup>th</sup>, and another Steering Committee meeting on May 17<sup>th</sup>, at which you may share your comments.

Inland  
Empire  
Utilities  
Agency

To help you clarify your comments, I would note that SAWPA's goals in administering the OWOW process are necessarily broader than the goals of any one agency or stakeholder in the region. The OWOW goals address a number of issues as considered by the Steering Committee, including IRWM requirements established by the State for these regional plans.

Orange  
County  
Water  
District

San  
Bernardino  
Valley  
Municipal  
Water  
District

The goals that the proposed rate structure requirement are intended to address include not only improving water use efficiency and improving water supply and reliability, but promoting partnerships, encouraging management approaches that achieve multiple benefits, improving sustainability, and protecting and benefiting disadvantaged communities. SAWPA has only limited tools to be able to address these goals, yet the State will hold SAWPA accountable for addressing them. The grant funds in question are not all types of grant funds that may be available to your agency, but only the funds identified for implementation of the IRWMP, which are required to be used to advance the goals of the regional plan.

Western  
Municipal  
Water  
District

You suggest using the CUWCC approved rate structures for grant eligibility. Actually, the CUWCC has not approved particular rate structures, but merely noted that any of the four rate structures that you named in your letter might, if properly constructed, meet the requirements of BMP 1.4. The CUWCC



Mr. Martin E. Zvirbulis  
May 8, 2012  
Page 2

approach is intended to satisfy a statewide range of circumstances, while we may find a narrower range of approaches to be best suited to the goals of this region. The CUWCC goal of promoting conservation is only one of several goals of OWOW. Compliance with CUWCC requirements is, of course, already a requirement to be eligible for any State grants. On the other hand, even BMP 1.4 allows for other pricing methods if they are shown to be as effective as the specified models, so it seems SAWPA's current proposal is neither less flexible, nor more complicated than the CUWCC approach.

As you know this proposed funding criterion, along with the other concepts that have been developed, will be further discussed at the workshops noted above and we hope that a representative from your agency will be present to work with the other stakeholders to refine this concept and to further develop the other solutions to watershed sustainability. I am sure the Steering Committee will appreciate your input and will consider it fairly.

Sincerely,



Terry Catlin  
Chair

TC:sv

cc: SAWPA Commission  
Tom Love, IEUA  
Cucamonga Valley Water District Board  
OWOW Steering Committee Members



CUCAMONGA VALLEY WATER DISTRICT

10440 Ashford Street
Rancho Cucamonga, CA 91730-2799
(909) 987-2591 Fax (909) 476-8033

RECEIVED

APR 01 2012

SANTA ANA WATERSHED
PROJECT AUTHORITY
CC, MN, JB, SV

MARTIN E. ZVIRBULIS
Secretary / General Manager/CEO

April 27, 2012

Santa Ana Watershed Project Authority
11615 Sterling Ave.
Riverside, CA 92503

SUBJECT: Prop 84, One Water One Watershed (OWOW) Funding Criteria

Dear Chairman Catlin:

I am writing on behalf of the Cucamonga Valley Water District (CVWD) regarding item 3.B on the April 17th SAWPA Commission Meeting agenda. We applaud the commission's decision to defer the item to staff for further discussion based on concerns expressed at the meeting.

Several years ago we adopted a tiered rate structure and spent a significant amount of resources and staff time in its development. Our rate structure is a valuable water efficiency tool, helping achieve conservation goals and state mandates. By not allowing agencies to receive funding unless they have an "allocation-based rate" model removes the flexibility agencies need to best meet their needs in a cost effective manner. Every agency and the community they serve is unique; which is one of the reasons the California Urban Water Conservation Council (CUWCC) has four approved pricing models, so that each agency can choose the model that best fits them.

Properly implemented rate structures incentivize all water users to significantly reduce water demand, which in turn reduces pollution due to dry weather runoff. The CUWCC Best Management Practice (BMP) 1.4 Retail Conservation Pricing outlines the various rate structures that provide economic incentives to customers to use water efficiently. When properly structured, the CUWCC endorses the following rate structures to promote water use efficiency:

- 1) Uniform Rates - The volumetric rate is constant regardless of the quantity consumed.
2) Seasonal Rates - The volumetric rate reflects seasonal variation in water delivery costs.
3) Tiered Rates - The volumetric rate increases as the quantity used increases.
4) Allocation Based Rates - The consumption tiers and respective volumetric rates are based on water use norms and water delivery costs established by the utility.

In the spirit of being equitable we encourage SAWPA to consider adding a provision stating that all rate structures allowed by CUWCC be considered when looking at watershed-wide concept's and be considered as qualified when taking into consideration OWOW funding, whether for Prop 84 or any other type of region wide grant programs.

We are also concerned with the idea of leaving the "allocation based" model as the only acceptable model with the disclosure that other "equally effective" models could be approved. This approach is subjective and introduces too many variables into the decision making process.

If you have any questions regarding this correspondence please feel free to contact me at (909) 987-2591 or by e-mail at martinz@cvwdwater.com.

Respectfully,
[Signature]
Martin E. Zvirbulis
General Manager/CEO

cc: SAWPA Board
Tom Love, Inland Empire Utilities Agency



# Santa Ana Watershed Project Authority

CELEBRATING 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

May 7, 2012

Paul Shoenberger  
Mesa Consolidated Water District  
1965 Placentia Avenue  
Costa Mesa, CA 92627

Terry Catlin  
Commission  
Chair

**Re: Information about Water Usage**

Celeste Cantú  
General  
Manager

Dear Mr. Shoenberger:

Eastern  
Municipal  
Water  
District

Thank you for participating in the discussion of proposed eligibility and ranking criteria for Proposition 84 funding at the SAWPA Commission meeting in April. During your comments, you presented information about Mesa Water District's rates and water usage, including a graph of per capita water use by Mesa and several other agencies.

Inland  
Empire  
Utilities  
Agency

As was mentioned during the meeting, SAWPA hopes that you will provide the Commission with additional information showing the per capita water use of Mesa's customers broken down into single-family and multi-family residential categories. Since each agency's service area is unique, the per capita use measurement might be more useful for comparing agencies' strategies if it can be broken down in this way.

Orange  
County  
Water  
District

If Mesa has made any comparison of agencies by per capita water use of residential customers in this way, SAWPA would appreciate seeing it, as well, as it would be relevant to considering the comments made at the April meeting.

Sincerely,

San  
Bernardino  
Valley  
Municipal  
Water  
District

Terry Catlin  
Commission Chair

Western  
Municipal  
Water  
District

cc: SAWPA Commission  
Mesa Consolidated Water District Board  
OWOW Steering Committee



*District Mission:  
Dedicated to Satisfying  
our Community's  
Water Needs*

April 16, 2012

Mr. Terry Catlin, Chair  
Santa Ana Watershed Project Authority  
11615 Sterling Avenue  
Riverside, CA 92503

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Vice President  
Division V

**TRUDY OHLIG-HALL**  
Vice President  
Division III

Dear Chairman Catlin:

On behalf of the Mesa Consolidated Water District (Mesa Water) Board of Directors, I am writing regarding the first two items on the Tuesday, April 17, 2012 Santa Ana Watershed Project Authority (SAWPA) Commission meeting agenda; Memorandums 8618 and 8622.

Mesa Water requests the SAWPA Commission to adopt their Staff's Recommendation on Memorandum 8618 with the following provision:

*The watershed-wide concepts are revised so that sustainable water rates are to include all water rate structures allowed by the California Urban Water Conservation Council.*

**PAUL E. SHOENBERGER, P.E.**  
General Manager

**COLEEN L. MONTELEONE**  
District Secretary

**VICTORIA L. BEATLEY**  
District Treasurer

**BOWIE, ARNESON,  
WILES & GIANNONE**  
Legal Counsel

In addition, we request adopting SAWPA Staff's Recommendation on Memorandum 8622 with the following provision:

*The selection criteria are revised so that all water rate structures allowed by the California Urban Water Conservation Council shall qualify for One Water One Watershed (OWOW) funding.*

Properly implemented rate structures incentivize all water users to significantly reduce water demand, which in turn reduces pollution due to dry weather runoff. The California Urban Water Conservation Council (CUWCC) Best Management Practice (BMP) 1.4 Retail Conservation Pricing outlines the various rate structures that provide economic incentives to customers who use water efficiently. When properly structured, the CUWCC endorses the following rate structures to promote water use efficiency:

- 1) **Uniform rate** in which the volumetric rate is constant regardless of the quantity consumed.

April 16, 2012  
Mr. Terry Catlin, Chair  
Page 2 of 2

*District Mission:  
Dedicated to Satisfying  
our Community's  
Water Needs*

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Vice President  
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**PAUL E. SHOENBERGER, P.E.**  
General Manager

**COLEEN L. MONTELEONE**  
District Secretary

**VICTORIA L. BEATLEY**  
District Treasurer

**BOWIE, ARNESON,  
WILES & GIANNONE**  
Legal Counsel

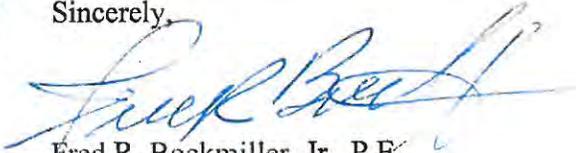
- 2) **Seasonal rates** in which the volumetric rate reflects seasonal variation in water delivery costs.
- 3) **Tiered rates** in which the volumetric rate increases as the quantity used increases.
- 4) **Allocation-based rates** in which the consumption tiers and respective volumetric rates are based on water use norms and water delivery costs established by the utility.

Without the two provisions requested, only one of the rate structures would be eligible for OWOW funding.

Mesa Water opposes the concept, enshrined in the original staff recommendation, that three of the four successful rate structures should not be eligible for OWOW funding. We operate under the Uniform Rate structure and our ratepayers have responded with considerable conservation efforts.

Thank you for your consideration and please feel free to contact our General Manager Paul E. Shoenberger at (949) 631-1206 with any questions.

Sincerely,

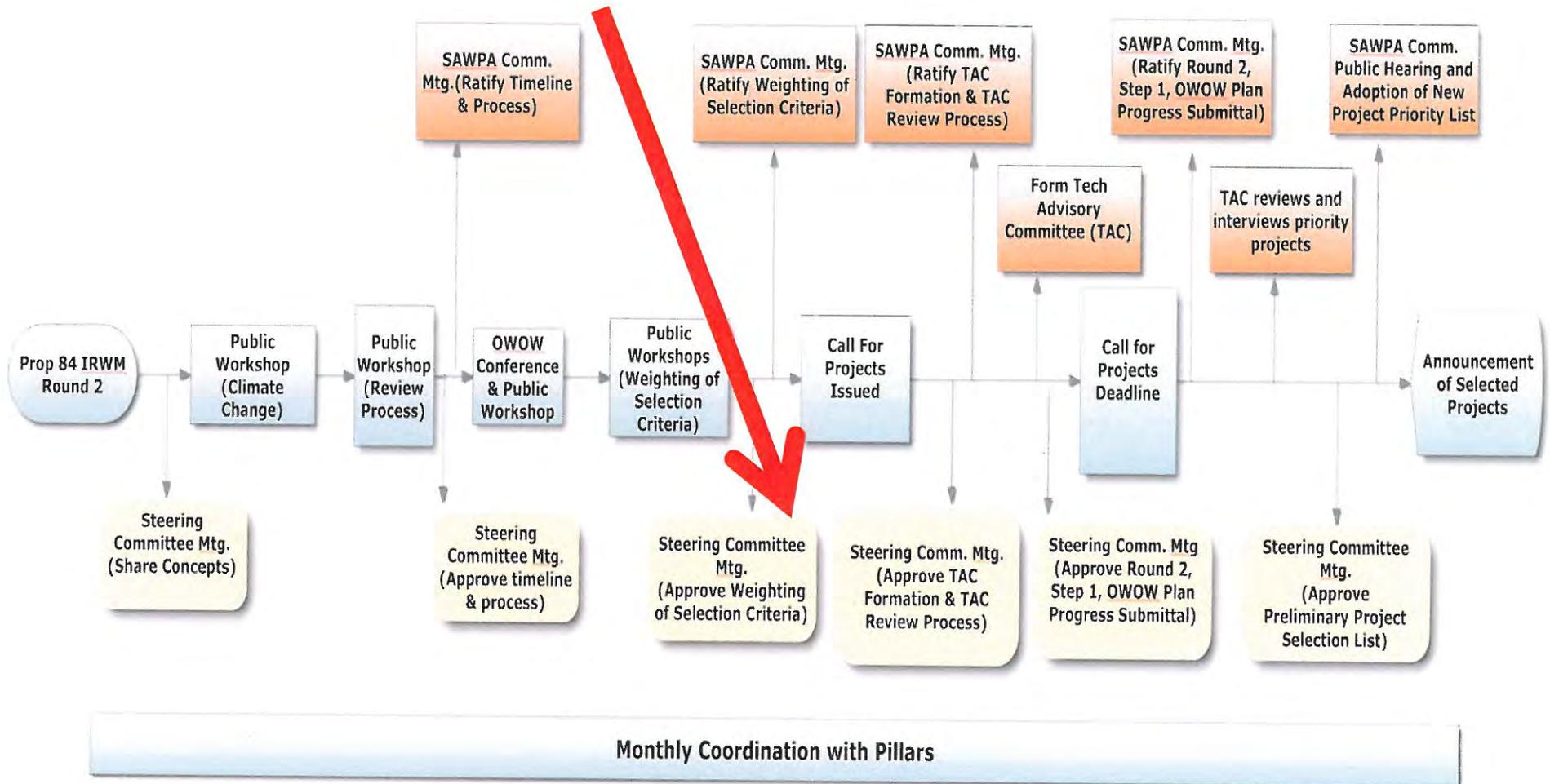


Fred R. Bockmiller, Jr., P.E.  
Mesa Water Board President

c: Mesa Water Board of Directors

# OWOW 2.0 Process

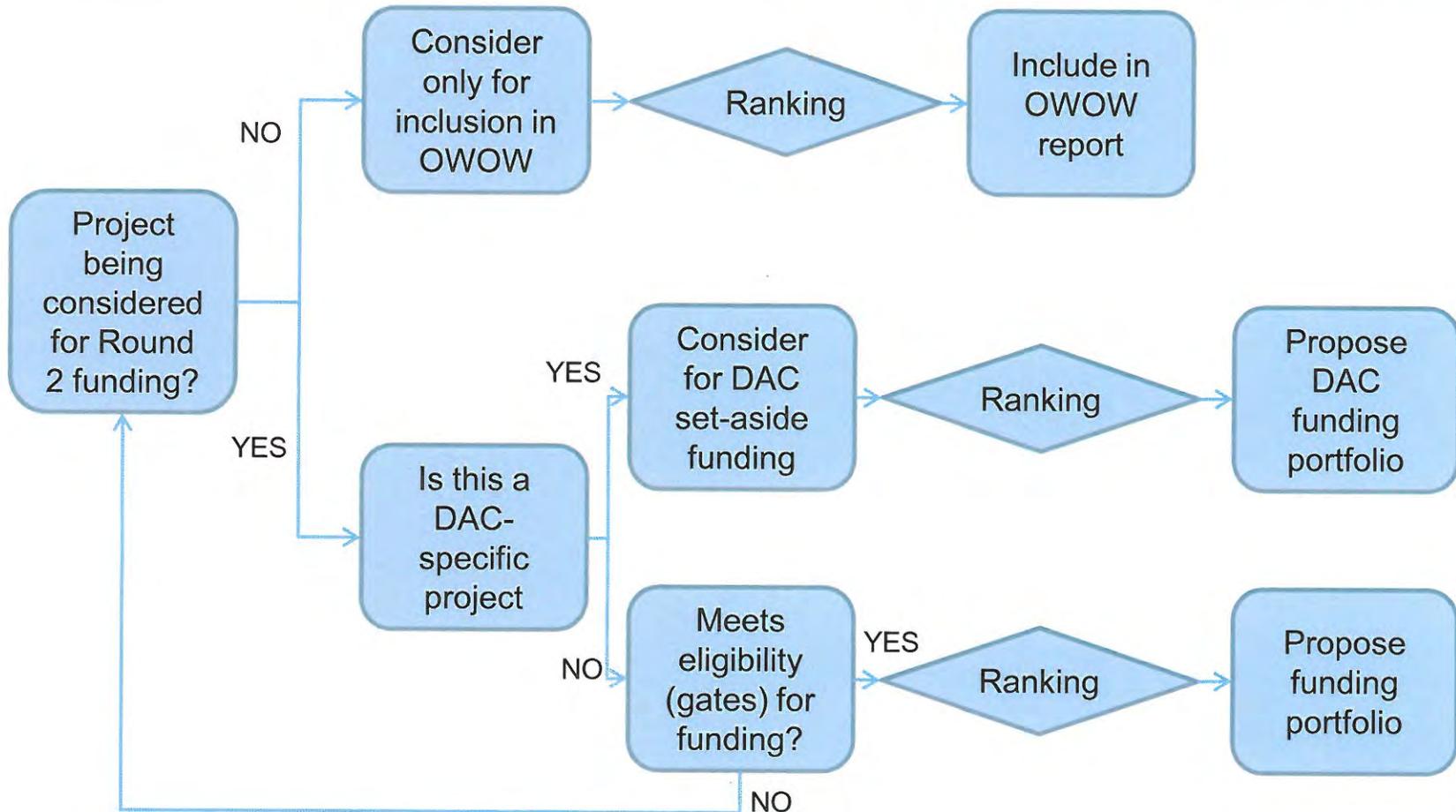
**We are here**





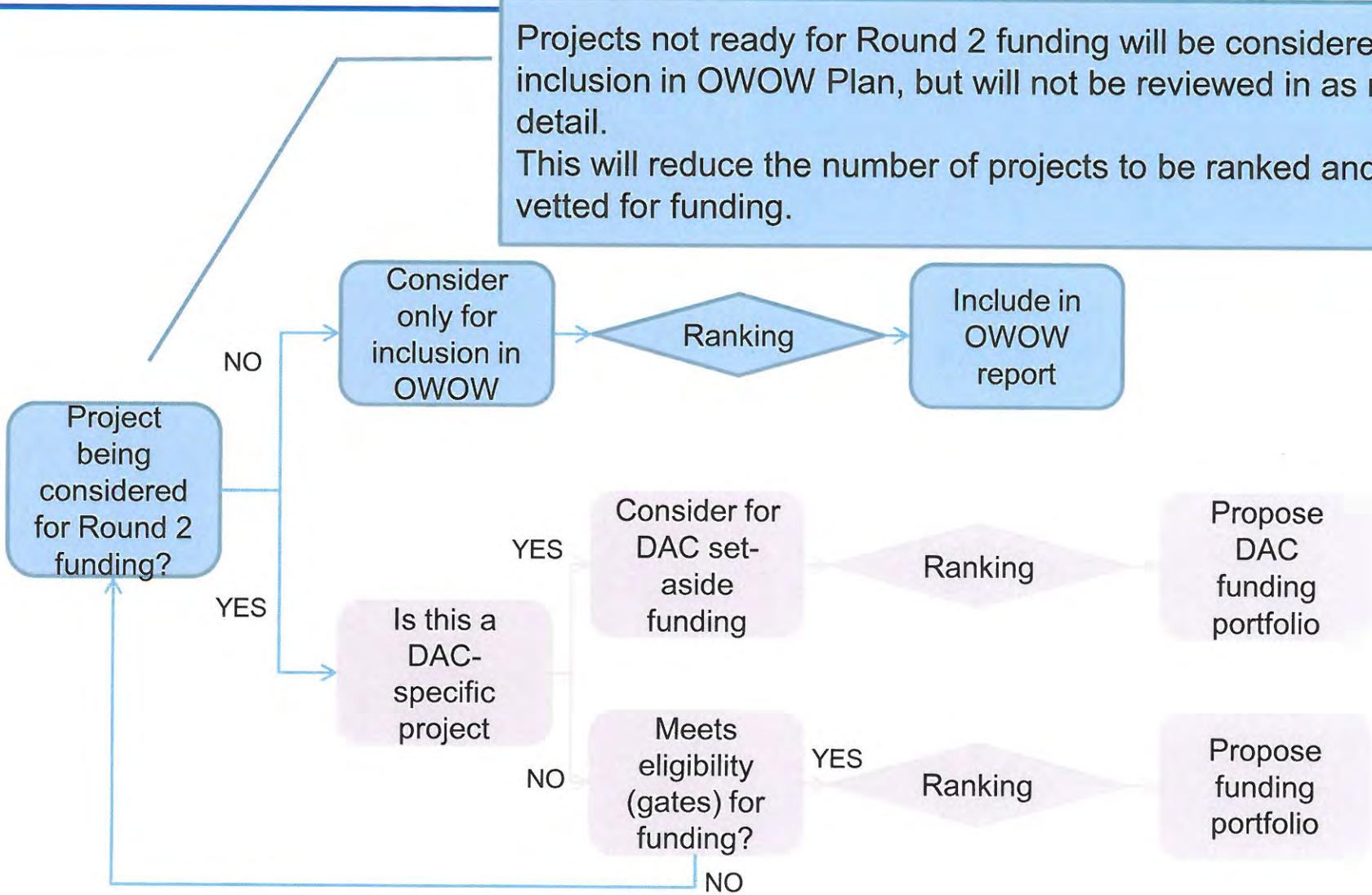
# A modified ranking process is being considered to incorporate the lessons-learned

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# A modified ranking process is being considered to incorporate the lessons-learned

Projects not ready for Round 2 funding will be considered for inclusion in OWOW Plan, but will not be reviewed in as much detail. This will reduce the number of projects to be ranked and vetted for funding.



# Staff recommends revising ranking criteria based on new process under consideration

---

## ROUND 1 CRITERIA

1. Water supply
2. Restoration and flood management
3. Water quality and salt management
4. Recreational benefits
5. Benefit and avoid impacts to DACs
6. Reduce greenhouse gas emissions
7. Resource-efficient land use and reduced impact on natural hydrology
8. Cost match
9. Cost effectiveness
10. Project readiness
11. Increase active participation

## SET-ASIDE

- For DAC-specific projects

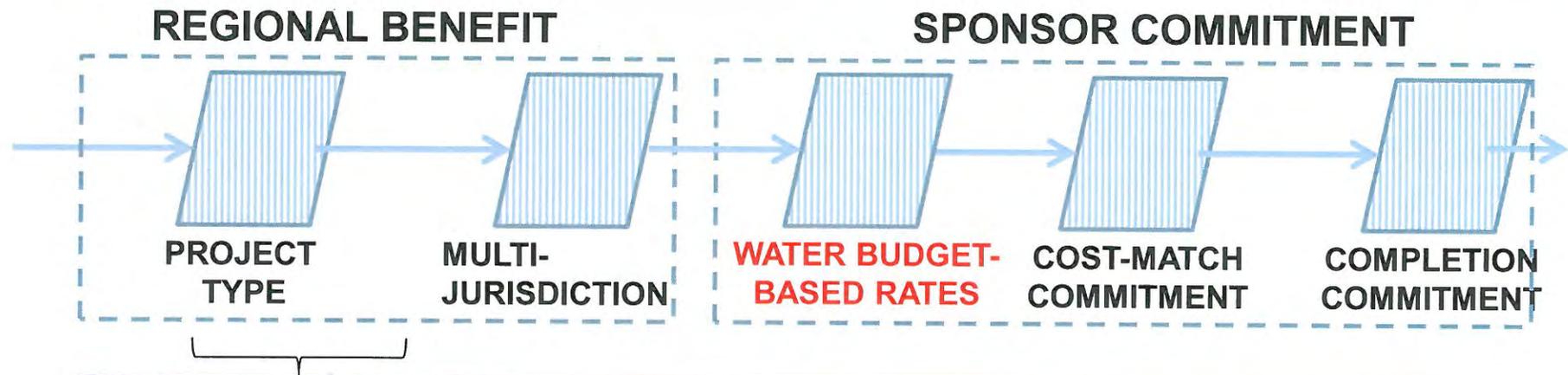
## THRESHOLD REQUIREMENTS ("GATES")

Items that should be considered a must, and not something that would score extra points

## REVISED CRITERIA FOR ROUND 2

Stronger emphasis on "encouraging integrated regional strategies for management of water resources" (DWR Guidelines)

# Eligibility thresholds (gates) being considered



- Water supply reliability, conservation and use efficiency
- Stormwater capture, storage, cleanup, treatment and mgmt
- Removal of invasive species; wetlands enhancement; protection and restoration of open space
- Non-point source pollution reduction, mgmt, monitoring
- Groundwater recharge and mgmt
- Contaminant and salt removal, reclamation, desalting and conveyance to users
- Water banking, exchange, reclamation and improvement of water quality
- Planning and implementation of multipurpose flood mgmt programs
- Watershed protection and mgmt
- Drinking water treatment and distribution
- Ecosystem and fisheries restoration and protection

## **OWOW STEERING COMMITTEE MEMORANDUM NO. 12**

**DATE:** May 17, 2012

**TO:** Steering Committee

**SUBJECT:** Proposition 84, Round 2, Approval of Performance Measures, Indicators, and Weighting of the Selection Criteria

**PREPARED BY:** Celeste Cantú, General Manager

### **RECOMMENDATION**

It is recommended that the OWOW Steering Committee approve the performance measures, indicators, and weighting of the selection criteria and recommend ratification by the SAWPA Commission.

### **DISCUSSION**

On March 15, 2012, the Steering Committee approved the selection criteria for Round 2 funding, and recommended that the SAWPA Commission ratify it. Staff has continued development of the criteria by defining performance measures, indicators, and weighting for the selection criteria for grant funding. The attached table reflects the criterion that has been vetted with the public in multiple workshops held on May 10, 2012 at SAWPA, May 14, 2012 in San Bernardino Valley Municipal Water District, and then again on May 16, 2012 at SAWPA. Comments were received and incorporated into this revised process. These performance measures, indicators, and weighting of the selection criteria, if approved by the Steering Committee and ratified by the SAWPA Commission, will serve as the basis for project selection for the next round of funding from Proposition 84 IRWM Grant program and would be used to prepare the future grant proposal application form for Round 2 funding.

### **RESOURCE IMPACTS**

None.

CC:MN:pb

Attachment: Proposition 84, Round 2 Selection Criteria Performance Measures, Indicators, and Weighting

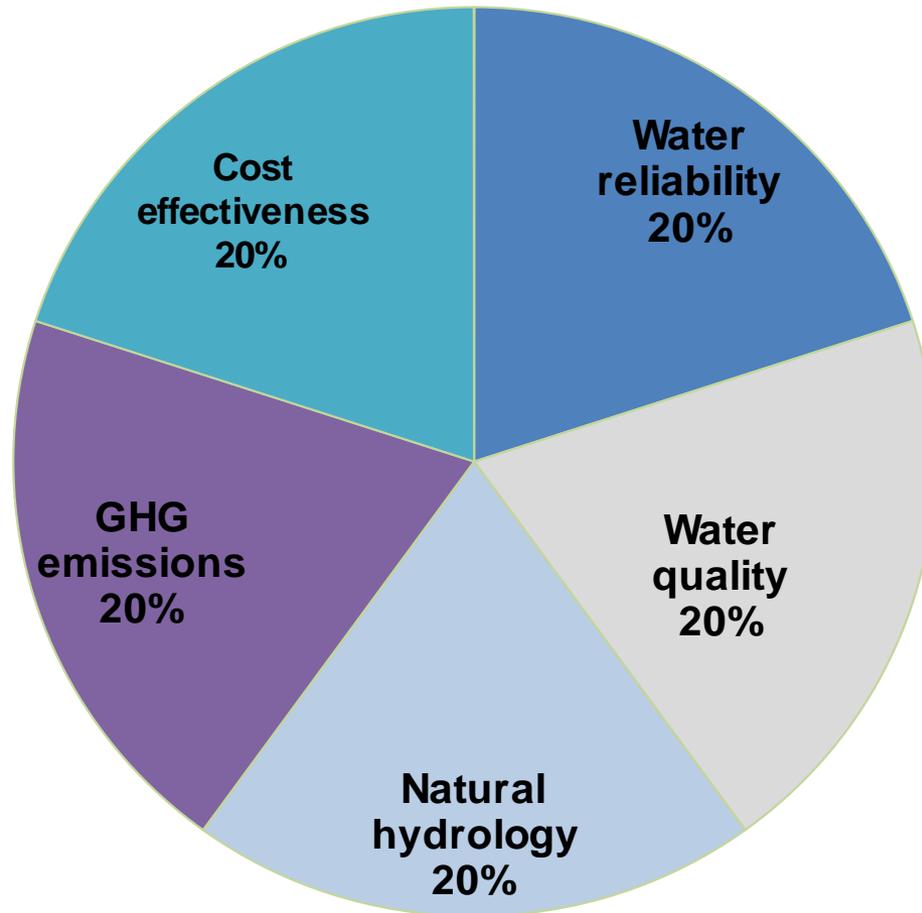
SC 12 Prop 84 Round 2 Perform Measures-Indicators-Weighting of Criteria



# New criteria are being consider to promote the desired types of projects

Criteria	Performance Measure	Indicator
1. Improve water reliability and reduce reliance on imported water (Max. 20 points)	Reduction of imported water by: <ul style="list-style-type: none"> <li>• Water use efficiency</li> <li>• Stormwater capture and storage</li> <li>• Recycling/reuse</li> <li>• Groundwater desalination</li> </ul>	<ul style="list-style-type: none"> <li>• Acre-feet per year of water resulting from project implementation</li> </ul>
2. Improve water quality and salt balance in the watershed (Max. 20 points)	<ul style="list-style-type: none"> <li>• Non-point pollution prevention/remediation</li> <li>• Salt removal</li> </ul>	<ul style="list-style-type: none"> <li>• Volume of runoff treated (MGD)</li> <li>• % reduction to Total Max Daily Load (TMDL)</li> <li>• Tons of salt removed from the watershed per year</li> </ul>
3. Manage flood waters through preservation and restoration of natural hydrology (Max. 20 points)	<ul style="list-style-type: none"> <li>• Headwaters forest and meadow preservation; or Riparian habitat restoration and connectivity; or Open space or recreational opportunity created</li> <li>• Natural hydrology restoration and connectivity</li> <li>• Uses LID or other resource-efficient land use practices</li> </ul>	<ul style="list-style-type: none"> <li>• Acres of habitat or open space protected, created or restored</li> <li>• Score of 1-5 based on quantity and quality</li> <li>• Score of 1-5 based on quantity and quality of LID practice</li> </ul>
4. Reduce greenhouse gas emissions from water management activities (Max. 20 points)	<ul style="list-style-type: none"> <li>• Amount of greenhouse gases mitigated</li> </ul>	<ul style="list-style-type: none"> <li>• Tons of CO<sub>2</sub>e mitigated by water management activities vs baseline (e.g. replacement of imported water by local water)</li> </ul>
5. Cost effectiveness (Max. 20 points)	<ul style="list-style-type: none"> <li>• Standardized per unit cost indicator (e.g., \$/AF or \$/acres of habitat)</li> </ul>	<ul style="list-style-type: none"> <li>• Standardized per unit cost indicator (e.g., \$/AF or \$/acres of habitat)</li> </ul>

We are proposing equal importance weights to promote more integrated, multi-benefit projects





# **MEETING MINUTES**

**OWOW STEERING COMMITTEE**

**MARCH 15, 2012**

## **PARTICIPANTS PRESENT**

George Aguilar	SAWPA
Ron Loveridge	City of Riverside
Beth Krom	City of Irvine
Ali Sahabi	SE Corporation
Josie Gonzalez	County of San Bernardino, Supervisor
Pat Morris	City of San Bernardino
Garry Brown	Orange County Coastkeeper

## **OTHERS PRESENT**

Jose Olivar	
Bob Page	County of San Bernardino
Mark Tetterer	IRWD
Robert Ennis	Orange County Water District
Salvador Lopez	Consultant
Celeste Cantú	SAWPA
Mark Norton	SAWPA
Dean Unger	SAWPA
Jeff Beehler	SAWPA
Patti Bonawitz	SAWPA

The Steering Committee Meeting was called to order at 3:24 p.m. by Acting Convener George Aguilar at SAWPA, 11615 Sterling Avenue, Riverside, CA 92503. A quorum was noted as present.

### **Presentation of “Watershed-wide Conceptual Projects” Endorsement (SC#10)**

Celeste Cantú presented a PowerPoint of the proposed watershed-wide conceptual projects and requested the Committee’s endorsement of the 13 key watershed-wide concepts. Discussion ensued regarding the responses from the two public workshops recently held and the need for change, and the need for us to do things differently in Round 2, funding going into a regional assessment fund/pool, and the very limited funds for Round 2. Josie Gonzales stated that we can’t continue doing the “old-style” projects and compete head-to-head in Round 2. She suggested that we make a commitment and reword the recommendation by using “direct and implement” versus the weaker words of “encourage and favor.”

Garry Brown entered the meeting room at 4:20 p.m.

Upon motion by Ron Loveridge, seconded by Pat Morris, the motion unanimously carried:

**SC/12-03-01**

**MOVED**, approval to endorse the “watershed-wide conceptual projects” as defined in the Master Craftsman White Paper entitled, ”OWOW – Santa Ana River Watershed Planning Framework as the type of projects to direct and implement under OWOW 2.0 to “raise the bar”, and recommended that the SAWPA Commission ratify these 13 watershed-wide project concepts.

Steering Committee Ron Loveridge left the meeting room at 4:38 p.m.

### **Proposition 84, Round 2 Process and Selection Criteria –Implementing the Vision (SC#9)**

Salvador Lopez provided a PowerPoint presentation regarding the revised process and selection criteria.

Discussion ensued regarding the ranking process, which incorporates lessons learned from Round 1, the \$16 M funding pot, which isn't a lot of money, the need to narrow and test the model criteria in Round 2. Josie Gonzales stated that we must stand and lead, and do something; let no one say that we didn't hold the banner high. Beth Krom stated that we are early enough that we could "front load" Round 2, with a real commitment to this, then we create a narrow platform in Round 2, a test model criteria and that we are not interested in any of the traditional projects. This is our opportunity to leverage this \$16M for innovation and creativity and perhaps open it to all, including academic with water industry taking the lead.

Upon motion by Garry Brown, seconded by Josie Gonzales, who stated that she is simply willing to go in this direction if there is true commitment and a willingness to navigate through the political will by every single person here... "I cannot support something that we do not vet out to its most sensitive degree in the interest of bringing about a better delivery of service; in this case, water. I know what I am saying and asking is very sensitive, but I think in this venue, we are all veterans..., and I think we can stand talking very openly and estimating our degree of success should we decide to go public with any decision that we make when it comes to the watershed-wide regional project concepts. On that basis, I will go along to get along, but doing things as we have done in the past to get along, I will not support; we have to change the paradigm."

**SC/12-03-02**

**MOVED**, approval of revised process framework including that 10% will be set aside for Disadvantaged Communities projects, the general project selection criteria, and the timeline for Proposition 84, Round 2 funding.

The motion unanimously carried.

**CONSENT CALENDAR**

Upon motion by Convener Aguilar, seconded by Josie Gonzales, the motion unanimously carried:

**SC/12-03 -03**

**MOVED**, approval of the Consent Calendar.

- A. The Steering Committee approved the Minutes from the meetings held 7-21-11 and 1-19-12.
- B. The Steering Committee approved the appointment of Craig Perkins as the Energy and Environmental Impact Response Co-Pillar.

Steering Committee members Josie Gonzales and Beth Krom left the meeting room at 5:14 p.m. Convener Aguilar adjourned the meeting at 5:15 p.m. due to a lack of quorum.

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George Aguilar, Acting Convener

**APPROVED:**  
May 17, 2012

3-15-12 Min REV