



...A United Voice for the Santa Ana Watershed

*Steering
Committee
Members*

Ron Sullivan
SAWPA

George Aguilar
SAWPA

Bill Campbell
Orange County

Marion Ashley
Riverside County

Josie Gonzales
San Bernardino
County

Beth Krom
City of Irvine

Ron Loveridge
City of Riverside

Pat Morris
City of San Bernardino

Ali Sahabi
SE Corporation

Garry Brown
Orange County
CoastKeeper

Steve PonTell
Regional Water Quality
Control Board

NOTICE AND AGENDA

OWOW STEERING COMMITTEE MEETING

Thursday, July 19, 2012 – 3:00 p.m.

At SAWPA, 11615 Sterling Avenue, Riverside, CA 92503

AGENDA

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.

3. OWOW 2.0 Eligibility and Ranking (SC#14) Jeff Beehler

Recommendation:

- 1) Set aside 10% of available grant funding to support agencies in the development of sustainable water rates;
- 2) Grant a 5% total project score bonus to project proponents who are water retailers and meet SBX7-7-2020 goals at the time of application;
- 3) At this time, not set a limit on the number of eligible projects per project proponent;
- 4) At this time, not set a cap on the amount of funding requested by each individual project proponent; and
- 5) Direct staff to forward the OWOW Steering Committee's decision to the SAWPA Commission for ratification.

4. Governance Document Amendment regarding Steering Committee Appointments and Succession Planning (SC#13) Jeff Beehler

Recommendation: That the SAWPA Commission approve the Amendment.

5. Steering Committee Succession Planning Discussion Celeste Cantú

Recommendation: Discussion and possible action regarding the soon-to-be vacant seat and recommend that the SAWPA Commission consider approving the recommended appointment.

Seat Representing:	Incumbent	Term Expires	Selecting Body
Regional Water Quality Control Board	Steve PonTell	9-1-12	Regional Board

6. Informational Reports/Updates Celeste Cantú

Recommendation: Receive and file.

A. “Call for Projects” Update

Mark Norton

B. Revised OWOW 2.0 Process Timeline

7. 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 5-17-12

Recommendation: Approve as mailed.

8. Announcements Celeste Cantú

NEXT MEETING: Thursday, September 20, 2012 - 3:00 p.m. at SAWPA

A. Scheduling of Future Meetings - 2012 Meeting Schedule

Recommendation: Discuss and provide direction regarding scheduling of the November meeting.

- Thursday, November 15, 2012

9. 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, 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 Thursday, July 12, 2012.


Patti Bonawitz

OWOW STEERING COMMITTEE MEMORANDUM NO. 14

DATE: July 19, 2012
TO: OWOW Steering Committee
SUBJECT: OWOW 2.0 Eligibility and Ranking
PREPARED BY: Jeffrey Beehler, OWOW Program Manager

RECOMMENDATION

Staff recommends that the OWOW Steering Committee:

1. Set aside 10% of available grant funding to support agencies in the development of sustainable water rates;
2. Grant a 5% total project score bonus to project proponents who are water retailers and meet SBX7-7-2020 goals at the time of application;
3. At this time, not set a limit on the number of eligible projects per project proponent;
4. At this time, not set a cap on the amount of funding requested by each individual project proponent, and
5. Direct staff to forward the OWOW Steering Committee's decision to the SAWPA Commission for ratification.

DISCUSSION

At the May 17 meeting, the OWOW Steering Committee forwarded to the SAWPA Commission for ratification project ranking criteria, the process framework, and a timeline. These project ranking criteria and process framework, including the timeline, were ratified by the SAWPA Commission at their June 19 meeting. Two revised project ranking and scoring factors were added in the reconsideration of the project ranking criteria. The first, established a set-aside, similar to that adopted for Disadvantaged Community (DAC) projects, whereby grant funds would be set aside for projects to assist agencies in developing sustainable water rates. The second addition was a scoring "bonus" for retail water agencies having met SBX7-7-2020 water conservation goals at the time of application for OWOW funding. Staff was directed to provide recommendations for Steering Committee consideration for each of these policy decisions.

Staff recommends that 10% of available grant funds be set aside to assist agencies in developing sustainable, budget-based water rates that encourage water use efficiency at the individual or homeowner level. In a "white paper" developed by the OWOW pillars and endorsed by the Steering Committee, budget based rates were discussed as one of the most cost effective tools to efficiently manage water resources. Developing these rate structures requires the development of specific-parcel level use data and the establishment of a rate structure tied to the micro-climate of the region. Agencies wishing to develop such structures would compete against each other for OWOW funds, much like DAC projects will compete. A set-aside structure ensures that specific project types are encouraged and funded in the OWOW process.

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Page 2

Second, staff recommends that a 5% “bonus” be added to the total project score where a retail agency applying for OWOW funding can demonstrate that they are meeting the SBX7-7-2020 water conservation goals at the time of application. If any member of the project team is a retailer, lead agency or project team member, meeting the water conservation goals at the time of application this “bonus” would apply. Agencies with aggressive water conservation programs are rewarded in this framework.

Finally, staff recommends that the number of projects from a lead agency or the request for level of funding not be limited at the time of application. In the first round of funding, the Steering Committee limited the number of projects from each agency to a single project and capped the available funding to \$1 M. This conclusion was the result of a deliberative process where the Steering Committee sought to maximize project benefit throughout the watershed. Staff recommends similar flexibility in this second round of funding.

JB:pb
SC 14 OWOW 2.0 Eligibility and Ranking 7-19-12

OWOW STEERING COMMITTEE MEMORANDUM NO. 13

DATE: July 19, 2012

TO: Steering Committee

SUBJECT: Governance Document Amendment regarding Steering Committee Appointments and Succession Planning

PREPARED BY: Jeff Beehler, OWOW Program Manager

RECOMMENDATION

It is recommended that the Steering Committee recommends that the SAWPA Commission approve the Governance Document Amendment regarding succession planning.

DISCUSSION

At the January 19, 2012 Steering Committee Meeting, direction was given to staff to amend the Governance Document. See the excerpt from the 1-19-12 Minutes below:

Excerpt from 1-19-12 Steering Committee Minutes regarding Steering Committee Appointments and Succession Planning

Discussion ensued regarding establishing a policy that has been practiced and sets precedence; however, it is not written. It is the policy that a seated member could continue in their position on the Steering Committee even though they lost their public position through the balance of their term or election cycle, or until such time that their agency identifies a new representative. Beth Krom suggested that this statement be a written policy and Garry Brown agreed. All the other Steering Committee members present concurred.

CC:JB:pb

Attachment: Amended Governance Document
SC 13 Amended Gov Doc

Santa Ana IRWMP “One Water One Watershed” Governance

Revised: July 2119, 2021

In developing the One Water One Watershed (OWOW) Integrated Regional Water Management (~~IRWM~~ Plan (the Plan) for the Santa Ana River, unlike other integrated regional water management ~~IRWM~~ planning approaches, every effort has been made to allow the key discussions of major water resource issues, concerns, problems, goals and objectives and potential solutions to originate and be first fully vetted at the stakeholder level – the stakeholders being the local agencies, organizations, and other interested parties within the Santa Ana River Watershed Region. By expanding the involvement and collaboration to the on-the-ground level, greater buy-in and support were expected and realized for this planning development process. Consequently, if one were to ask where the governance originates for the Santa Ana River Watershed Region OWOW process, we believe the identification of issues starts from the grass-roots level, the foundation of a decentralized and collaborative “big tent” approach.

SAWPA Commission

The Santa Ana Watershed Project Authority Commission (the Commission) and SAWPA staff shall be responsible for all administrative oversight for the Plan, and for coordinating all on-going administrative responsibilities associated with its implementation including arranging for meetings of the OWOW Steering Committee, preparing agendas, taking and distributing minutes of the meetings and when directed by the SAWPA General Manager, preparing staff reports, and other related duties. The Commission shall review the Plan for compliance with applicable laws and guidelines. In the event that no issues or inconsistencies with the Plan or project selection process are detected, the Commission shall approve the Plan and the Project Prioritization as submitted by the Steering Committee. Should the Commission determine that the Plan or a specific selected portfolio of projects fails to meet applicable laws and guidelines, it will refer the Plan back to the Steering Committee for further revision and subsequent re-submittal to the Commission for reconsideration and ratification.

OWOW Steering Committee

The OWOW Steering Committee shall be constituted~~comprise of~~ eleven (11) members from the three counties (Orange County, Riverside and San Bernardino) that are within the Santa Ana River Watershed regional planning area. The Steering Committee members shall serve terms of four (4) years with staggered end dates, ~~or may be replaced subsequent to the initial submittal of the Plan~~, as described below. The following describes the composition of the Steering Committee:

- One (1) Supervisor from Orange County;
- One (1) Supervisor from Riverside County;
- One (1) Supervisor from San Bernardino County;
- One (1) Mayor or City Council Member from a City within the Region within Orange County;
- One (1) Mayor or City Council Member from a City within the Region within Riverside County;
- One (1) Mayor or City Council Member from a City within the Region within San Bernardino County;
- Two (2) ~~Water agency designees~~ SAWPA Commission representatives shall be selected by the SAWPA Commission,
- One (1) member of the business community,
- One (1) member of the environmental community, and;

- One (1) member of the Regional Water Quality Control Board.

The SAWPA Commission has selected and convened the initial Steering Committee members in coordination with the governmental and non-governmental entities being represented on the Steering Committee.

Steering Committee members may be appointed for multiple terms. *A seated member who loses the status upon which membership on the Steering Committee is based (e.g. leaving an elected office) will may continue as a member in their position on of the Steering Committee even though they lost their public position through the balance of their that Steering Committee term or election cycle, or until such time that their entity that selected him or her selects agency identifies a new representative. Steering Committee representatives may be replaced as follows upon resignation of members, expiration of terms, or when governmental representatives no longer hold their elective office: Steering Committee members are selected as follows:*

- SAWPA Commission representatives shall be selected by the SAWPA Commission.
- County ~~representatives Supervisors~~ shall be selected by their respective ~~countiesboards~~
- City representatives shall be selected by a majority vote of the Council of Governments ~~members~~ in the respective county:
 - Western Riverside County Council of Governments [WRCOG] – Riverside County;
 - San Bernardino Association of Governments [SANBAG] – San Bernardino County; and
 - Orange County Council of Governments [OCCOG] – Orange County.
- Business and environmental community representatives shall be selected by a majority vote of the eight (8) governmental ~~entities~~ ~~representatives~~ on the Steering Committee based on an application process conducted during a public meeting.

The Steering Committee shall be responsible for the development of the Plan. This includes receiving input from staff of their respective agencies as well as the SAWPA staff, providing direction for the development and long-term maintenance of the Plan, and development of a project prioritization process. The Steering Committee may make recommendations to the SAWPA Commission on proposed amendments to this governance document. Any such proposed amendments shall not take effect unless approved by the SAWPA Commission.

Meetings of the Steering Committee shall be scheduled at a regular time and place with an agenda posted prior to the meeting consistent with the Ralph M. Brown Act. The Steering Committee shall meet as needed with a minimum of at least an annual meeting. Minutes of the meetings shall be kept by SAWPA staff and posted on the OWOW website. Special meetings may be called and are subject to the provisions of the Ralph M. Brown Act.

In implementing the Steering Committee’s Goals and Objectives, the Steering Committee will:

- 1) Acknowledge that water resources of the Santa Ana River Watershed Region should be put to maximum beneficial use and that water waste must be prevented;
- 2) Acknowledge water as a public resource and respect existing agreements governing the water resources of the Santa Ana River Watershed Region;

- 3) Seek regional solutions for regional problems;
- 4) Encourage collaboration across boundaries and between multiple parties in project development; and
- 5) Consider sub-regional plans and planning efforts.

SAWPA Administration

The other arm to the governance of the OWOW process includes a management function conducted by the SAWPA staff. As the regional water agency for the Santa Ana River Watershed Region, SAWPA has had a long history of supporting regional collaborative efforts of this kind. As with previous IRWMP efforts for the Santa Ana River Watershed Region, SAWPA serves~~s~~ as support in providing administrative and facilitative assistance to the Steering Committee for the overall OWOW Plan development. In addition, SAWPA provides~~s~~ decisione~~computer~~ tools to assist the Steering Committee in decision-making processes, and performs~~s~~ significant public outreach and education about the integrated planning approach for the Santa Ana River Watershed Region.

As funding opportunities arise to implement ~~the OWOW plan~~, the Steering Committee will provide to the Commission an updated ~~Plan-Santa Ana River Watershed Region IRWM plan~~ and programmatic portfolio of projects specific to the funding opportunity. As noted above, the Commission will review the Plan and programmatic project portfolio to ensure that these fulfill the intent and requirements of the specific funding mechanism, any legislation~~onve bill~~ authorizing the funding, all legal requirements as defined by the funding administrative agency, and equitable application of the benefits of the project portfolio across the entire region. Review of these items will be conducted by the Commission in a public ~~meeting~~~~hearing~~ open to all interested stakeholders. It is understood that the Steering Committee will be responsible for the development and implementation of the project selection criteria.

Pillars

In order to manage the technical and planning work, the stakeholders are organized into separate workgroups or pillars centered around specific water resource management areas, issues, or concepts. They are identified and named by, and may be dissolved by, the Steering Committee. The Pillars support and assist SAWPA staff by, for example, offering creative ideas, conducting brainstorming, vetting ideas, assisting with regional coordination, assisting with outreach efforts, gathering or reviewing data or information, or developing or reviewing analysis. Each pillar consists of approximately 10 to 60 volunteers, depending on the topic and interest level. The volunteers include participants from local agencies, special districts, non-profit organizations, university officials, Native American Tribes, and private citizens.

Each pillar is led by a volunteer Co-Chairs with expertise in that specific aspect of water resources. The Pillar Co-Chairs are responsible for organizing, leading, and facilitating the workgroup process. The Pillar Co-Chairs are appointed as needed by the Steering Committee. No limits are placed on the duration someone may hold the position. A Pillar Co-Chair may only hold one chair position at a time.

Another role of the Pillar Co-Chairs is to provide support and input for SAWPA staff as they make recommendations to the Steering Committee about the Steering Committee OWOW goals and objectives. As technical experts in various water resource fields, the Pillar Co-Chairs provide important feedback to the Steering Committee. The Pillar Co-Chairs periodically meet and act, in collaboration with SAWPA staff, as a technical management committee for reviewing and making

recommendations to the Steering Committee and to the Commission relative to implementation of the Plan and development of specific proposals for funding. The Pillar Co-Chairs also will support SAWPA staff as a technical management committee to provide oversight for OWOW projects.

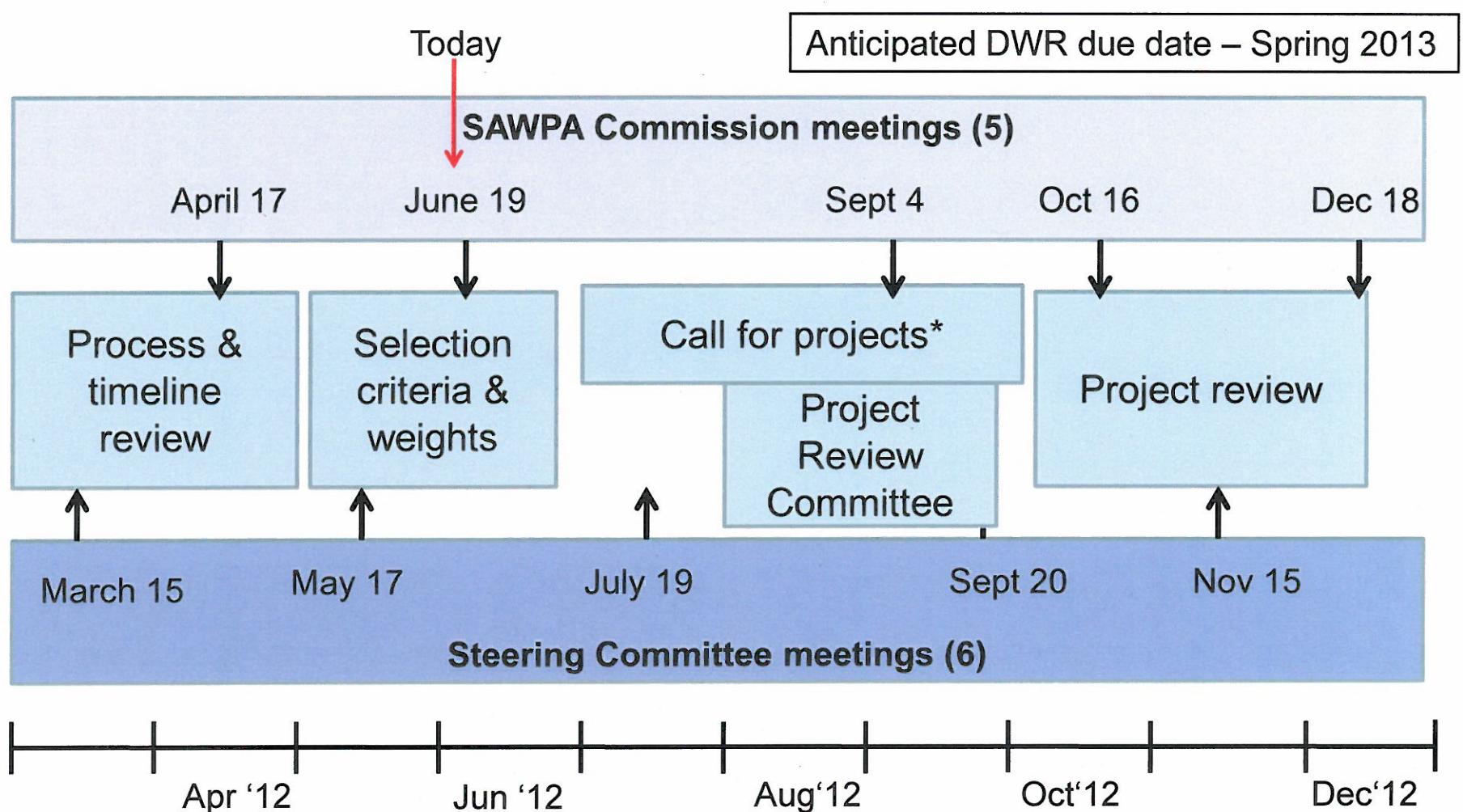
Pillar work product development is a consensus process. Where there is disagreement on specific recommendations, the Steering Committee will provide guidance. Pillar groups will be added or subtracted based on the goals and objectives of the Steering Committee.

Pillar Co-Chairs, with assistance from SAWPA staff, are responsible for maintaining a notification list of interested stakeholders and notifying them of meetings. SAWPA staff will provide lists of interested stakeholders to Pillar Co-Chairs; however, Pillar Co-Chairs will post notifications. Pillar committee meetings shall be open to all interested parties.

Project Prioritization Development and Modification

Project prioritization for specific grant applications shall be established and maintained by the Steering Committee in coordination and with support from SAWPA staff. Stakeholders shall be allowed to comment on the development and maintenance of the project prioritization process. In addition, the Steering Committee’s role in project prioritization development and modification is to integrate regional water management goals and objectives for the region, to act as the oversight body that performs strategic decision making, crafts and adopts programmatic suites of project recommendations, and provides program advocacy necessary to optimize water resource protection for all.

Proposed OWOW 2.0 Process Timeline



* Subject to DWR PSP



MEETING MINUTES

OWOW STEERING COMMITTEE

May 17, 2012

PARTICIPANTS PRESENT

Ron Sullivan, Convener	SAWPA
George Aguilar	SAWPA
Bill Campbell	County of Orange, Supervisor
Josie Gonzales	County of San Bernardino, Supervisor
Marion Ashley	County of Riverside, Supervisor
Ron Loveridge	City of Riverside, Mayor
Beth Krom	City of Irvine, Mayor Pro Tem
Steve PonTell	Santa Ana Regional Water Board
Ali Sahabi	

OTHERS PRESENT

Salvador Lopez	City of Irvine
Amanda Carr	Orange County Water District
Robert Ennis	City of Garden Grove
David Entsminger	Inland Empire Utilities Agency
Tom Love	Lake Hemet MWD
Tom Wagoner	Monte Vista WD
Mark Kinsey	Yorba Linda Water District
Ken Vecchiarelli	Cucamonga Valley Water District
Eric Grubb	City of Corona
Tracey Martin	Western Municipal Water District
Tom Ash	East Valley Water District
John Vega	San Bernardino Valley Municipal Water District
Bob Tincher	City of Anaheim
Don Calkins	Mesa Consolidated Water District
Paul Shoenberger	City of Redlands
Chris Diggs	City of Redlands
Cecilia Griego	City of Redlands
Ross Wittman	Yucaipa Valley Water District
Jennifer Ares	MWDOC
Joe Berg	TKE
Steve Ledbetter	County of San Bernardino
Bob Page	Eastern Municipal Water District
Paul Jones	City of Colton, Planning Commission
Frank Novarro	Monte Vista Water District; Riverside Public Utilities Commission
Justin Scott Coe	SAWPA
Celeste Cantú	SAWPA
Larry McKenney	SAWPA
Mark Norton	SAWPA
Jeff Beehler	SAWPA
Dean Unger	SAWPA
Patti Bonawitz	SAWPA

The Steering Committee Meeting was called to order at 3:05 p.m. by Convener Ron Sullivan at SAWPA, 11615 Sterling Avenue, Riverside, CA 92503. Convener Sullivan asked the Steering Committee members to introduce themselves and then welcomed everyone in attendance.

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

Celeste Cantú reviewed the proposed process framework for Round 2 funding. There have been four public hearings to date, and this is the second time this Committee has considered this information. Jeff Beehler reviewed the process framework, including the gates, and the comments received. Tom Ash provided a presentation on sustainable water rates and efficiencies. The Steering Committee needs to make three summary decisions:

1. Shall the eligibility framework include a gate to incentivize water use efficiency? If so, what kind?
2. If there is no gate, shall there be extra points granted for those retailers who are in the process or have adopted Sustainable Water Rates, or have achieved the goals of SB7X7- 20x2020 goals at the time of application?
3. Should there be a set-aside amount to be determined to support implementation of sustainable water rates?

Steering Committee Member Marion Ashley left the meeting room at 3:35 p.m.

Celeste Cantú reviewed staff's recommendation:

1. **Not include a “Sustainable Water Rates” Gate as an eligibility threshold;**
2. **Grant extra points for retailers who have adopted or will adopt Sustainable Water Rates; or have, at the time of application, achieved the 20X2020 conservation goal;**
3. **Set aside an amount to be determined to support implementation of Sustainable Water Rates (subject to DWR approval);**
4. **Approve timeline and process framework; and**
5. **Direct staff to forward the OWOW Steering Committee’s decision to the SAWPA Commission for ratification.**

Several speakers addressed the Steering Committee regarding the sustainable water rates as a gate.

John Vega, East Valley Water District, thanked staff for all their hard work and for listening. He is in favor of staff's recommendation to have no gates. As a retailer, his agency is trying to do the best that they can. Convener Sullivan asked if he had any problems with Items 2, 3, or 4 of staff's recommendation above. He responded, no, however, he stated that the process is moving rather quickly and timing is an issue to vet all the issues the retailers had. Convener Sullivan asked him what kind of time he needed. Discussion briefly ensued regarding the timing and the four types of rate structures. Mark Norton added that the final applications from DWR will be due in March 2013, so SAWPA will need a final project list by the end of this year. Celeste Cantú stated that a “Call for Projects” is anticipated for late summer, in anticipation of DWR’s March 2013 request for applications.

Steering Committee Member Bill Campbell requested staff to define “sustainable water rates.” Celeste Cantú stated that it is also known as budget-based conservation rates; the water rate tiers are set relative to size of family and amount of water needed to irrigate landscape. He clarified that it does not include the other three rate structures from the CUWC. Celeste Cantú confirmed that it is true.

Don Calkins, Water Manager for the City of Anaheim, urged the Steering Committee to change the gate from budget-based tiered rates, to allow any of the four rates by CUWC, or eliminate the gate, and keep it on the simple side, perhaps no extra points. He appreciated that staff has been listening to the public comments received. The goal is to reduce water use and the “structure” in which to do so should be left up to the individual city councils. Convener Sullivan asked if he had any problems with Items 2, 3, or 4. He responded, “no.”

Paul Schoenberger, Mesa Consolidated Water District, was in agreement with the other speakers and was not in favor of sustainable water rates as a gate. Mesa Consolidated Water District has a uniform rate and they are happy with that rate structure. He supports Item 4, and is 80% there on Items 2 and 3. Item 2 is a good compromise.

Chris Diggs, City of Redlands, echoed many of the same points as the others; the more you use, the more you pay. At the recent BTAC meeting, a motion was made to not support sustainable water rates as a gate for the OWOW process and to send correspondence to SAWPA; it passed unanimously. This BTAC letter represents 27 agencies, all in SBVMWD’s service area. Convener Sullivan asked him if he was in support of Items 2, 3, and 4. He does not support Items 2, 3, or 4; it is inappropriate to set aside funds for a global refinement of water conservation

pricing, it should be done locally, and is not necessary. He believed that the local agency should be the one to fund it, and not through OWOW Program funds. He requested “status quo.”

Mark Kinsey, Monte Vista Water District, recalled the Proposition 13 process, in which there was much collaboration and cooperation. SAWPA is reaching too far into the rate structure, and according to the white paper, one of its guiding principles is to reduce potable water by 20% by 2020, which is exactly what the State has established for compliance, and that OWOW is not to interfere with local decision making. He urged the Steering Committee to not interfere with the local decision making process; water rates are very unique to each agency. Convener Sullivan asked him if he was in favor of Items 2, 3, and 4. Mark Kinsey replied that he is fine with everything else; except Item 3 is not necessarily true, and he had mixed feelings about that.

Tom Love, Inland Empire Utilities Agency, their member agencies are water retailers, and he commended the Committee for bringing this issue to the table. He has discussed water rates more in the past two weeks, than he has in the past two years. It has been a short, but robust discussion. He advocated for flexibility. Budget-based rates are the right way to move toward, and if done properly, they may have positive impact on an agency’s revenue. However, it is difficult to move in that direction in such a short timeframe. We need to allow for flexibility. Item 3 is important, he supports it. Item 2 is fine; applicants who include other agencies that don’t have water rates, should not be penalized. He suggested clarification of sustainable water rates versus conservation-based rates.

Paul Jones, Eastern Municipal Water District, supports staff recommendations Items 1-5. The 27-agency letter takes issue with the sustainable water rates gate. He agreed that you should be allowed to compete if you are in compliance with any of the four CUWC rate structures. He agreed with Item 1, that the rates should be consistent with one of CUWC’s four rate structures. He supports Item 2, providing extra points as incentives since we are creating a higher standard. He concurred with IEUA’s comments on Item 2, in that the scoring mechanism should not penalize an agency who doesn’t have sustainable water rates. He thought there were mathematical ways to do that. He supports Items 3 and 4.

Convener Sullivan called for comments from the Steering Committee members.

Steering Committee Member Josie Gonzales stated that she liked what she has heard today, and is a firm believer in stirring the pot every now and then. She liked the fact that this issue has become controversial, causing folks to talk to each other. She supports Item 1; Item 4 is fantastic, and Items 2 and 3 are a good compromise. She appreciated everyone showing up and providing comments.

Steering Committee Member George Aguilar stated that he agreed with all the items, except that if agencies already have met the 20x2020 goal, they should get the extra bonus points. He also thought that sustainable water rates should include the four rate structures as identified by the CUWC.

Steering Committee Member Bill Campbell complimented staff for listening. He differed on Item 2, and proposed changing the words by eliminating the first part of the sentence regarding “at the time of application” and suggested starting, “...Adopt or who have adopted, or will adopt one of the four BMPs water conservation rates as identified by the CUWC; or have, at the time of application, achieved the 20x2020 conservation goal.” OWOW Consultant Salvador Lopez technically clarified that under the statutory requirements gate, it does require compliance with one of the four rate structures. So for consistency and to eliminate redundancy, he re-worded Item 2, but further stated that he wanted to hear the others’ comments.

Upon motion by Bill Campbell,

SC/12-05-01

MOVED, approval with staff’s recommendation, except revise the wording of Item 2 by striking the first half of the sentence to read as follows:

Item 2. At the time of application, grant extra points for retailers who have achieved the 20x2020 conservation goal;

Steering Committee Member Ron Loveridge said that the May 15 letter stated that 27-water agencies is important. Certainly, staff's recommendation is not status quo, and he supports it. Ron Loveridge commented that we do not want to interfere with any business, we want to highlight the BMPs. Discussion ensued regarding what percentage is met with the 20x2020 goals and analyses of the four rate structures. There are several studies that are clear that sustainable water rates hard wire that the savings will be there. Steering Committee Member Ron Loveridge stated that he would second the motion on the table, then left the meeting room at 4:30 p.m.

Steering Committee Member Steve PonTell stated that hitting the 20x2020 goal is crucial. If we have gotten 27 agencies challenged to think better and collaborate together, kudos all the way around. He supported Bill Campbell's proposal to strike the first half of the sentence in Item 2 of staff's recommendation.

Steering Committee Member Ali Sahabi appreciated seeing the interest in this topic. He reminded all that there was only \$16M, which is a small amount to satisfy all the infrastructure needs and it was not the Steering Committee's intent to interfere in local government, but rather to highlight some of the best projects in our region. He asked two questions: what percentage of these agencies already have achieved the 20x2020 conservation goal, and the analyses of the four rate structures. Discussion briefly ensued.

Steering Committee Member Beth Krom commented that we have focused a lot on Item 2. Item 3 also is very important; this gives us a tool for those that would like to implement sustainable water rates. It really is about aspirational thinking. She was willing to support Item 2, by removing the first half of the sentence as proposed by Steering Committee Member Bill Campbell; it gets us where we want to go and appears to make everyone happy.

If his vote was needed for a quorum, Steering Committee Member Steve PonTell alerted the Committee that he would need to leave very soon. Discussion briefly ensued regarding the State's 20x2020 conservation goal. He suggested giving bonus points to an agency who hits the mark, and since we do want to raise the bar, he proposed different wording for Item 2.

Upon substitute motion by Steve PonTell,

SC/12-05-02

MOVED, approval to reword Item 2 of staff's recommendation as follows:

At time of application, achieve the 20x2020 conservation goal and adopt sustainable water rates [as defined... perhaps give example], give extra or bonus points to those agencies who have achieved that goal.

Steering Committee Member Bill Campbell expressed concern that Steve PonTell's proposed changes were not definable and he would prefer to keep with his original proposal. The motion failed for a lack of a second. Steering Committee Member Steve PonTell stated that he could support Bill Campbell's original proposal.

Steering Committee Member Josie Gonzales added that it would be nice to hear from the agencies what they might propose, is there anything we've overlooked. Due to time constraints, Convener Sullivan called for the question and asked for a motion.

Upon motion by Bill Campbell, seconded by Beth Krom, the motion unanimously carried:

SC/12-05-03

MOVED, approval of the following:

1. Not include a "Sustainable Water Rates" Gate as an eligibility threshold;
2. At the time of application, grant extra points for retailers who have achieved the 20x2020 conservation goal;
3. Set aside an amount to be determined to support implementation of Sustainable Water Rates (subject to DWR approval);
4. The timeline and process framework; and
5. Direct staff to forward the OWOW Steering Committee's decision to the SAWPA Commission for ratification.

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

Celeste Cantú proposed to weight the five indicators equally: cost effectiveness – 20%; water reliability 20%; water quality 20%; GHG emissions 20%; and natural hydrology 20%. The performance measures and indicators were quickly reviewed (see below PowerPoint excerpt). Steering Committee Member Bill Campbell asked if these get applied to the applications once they go through the gates. Staff replied yes.

New criteria are being consider to promote integrated regional 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">• Water use efficiency• Stormwater capture and storage• Recycling/reuse• Groundwater desalination	<ul style="list-style-type: none">• Acre-feet per year of water resulting from project implementation OR• For efficiency-specific project/programs, gpcd reduction
2. Improve water quality and salt balance in the watershed (Max. 20 points)	<ul style="list-style-type: none">• Non-point pollution prevention/remediation• Salt removal	<ul style="list-style-type: none">• Volume of runoff treated (MGD)• % reduction to Total Max Daily Load (TMDL)• Tons of salt removed from the watershed per year
3. Manage flood waters through preservation and restoration of natural hydrology (Max. 20 points)	<ul style="list-style-type: none">• Headwaters forest and meadow preservation; or Riparian habitat restoration and connectivity; or Open space or recreational opportunity created• Natural hydrology restoration and connectivity• Uses LID or other resource-efficient land use practices	<ul style="list-style-type: none">• Acres of habitat or open space protected, created or restored• Score of 1-5 based on quantity and quality
4. Reduce greenhouse gas emissions from water management activities (Max. 20 points)	<ul style="list-style-type: none">• Amount of greenhouse gases mitigated	<ul style="list-style-type: none">• Score of 1-5 based on quantity and quality of LID practice• Tons of CO₂e mitigated by water management activities vs baseline (e.g. replacement of imported water by local water)
5. Cost effectiveness (Max. 20 points)	<ul style="list-style-type: none">• Standardized per unit cost indicator (e.g., \$/AF or \$/acres of habitat)	<ul style="list-style-type: none">• Standardized per unit cost indicator (e.g., \$/AF or \$/acres of habitat)

Upon motion by Bill Campbell, seconded by Josie Gonzales, the motion unanimously carried:

SC/12-05-04

MOVED, approval of the performance measures, indicators, and weighting of the Selection Criteria and recommended ratification by the SAWPA Commission.

Consent Calendar

Upon motion by Bill Campbell, seconded by Josie Gonzales, the motion unanimously carried:

SC/12-05-05

MOVED, approval of the Consent Calendar.

A. The Steering Committee approved the Minutes from the Meeting of 3-15-12.

Steering Committee Member Steve PonTell left the meeting room at 4:49 p.m., and Steering Committee Member Josie Gonzales left the meeting room at 4:50 p.m., leaving no quorum. Convener Sullivan adjourned the meeting at 4:50 p.m. due to a lack of quorum.

Ron Sullivan, Convener

APPROVED:

July 19, 2012