



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

NOTICE OF REGULAR MEETING OF THE PROJECT AGREEMENT 22 COMMITTEE

Interregional Landscape Water Demand Reduction Program

Committee Members:

- Halla Razak, General Manager, Inland Empire Utilities Agency
- Doug Headrick, General Manager, San Bernardino Valley Municipal Water District
- Paul D. Jones, General Manager, Eastern Municipal Water District, Chair
- Michael Markus, General Manager, Orange County Water District, Vice Chair
- Craig Miller, General Manager, Western Municipal Water District

THURSDAY, MARCH 22, 2018 – 8:00 A.M.

AGENDA

1. **CALL TO ORDER** (Paul D. Jones, Chair)

2. **PUBLIC COMMENTS**

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. **APPROVAL OF MEETING MINUTES: January 25, 2018** 3

Recommendation: Approve as posted.

4. **COMMITTEE DISCUSSION ITEMS**

A. **UPDATES TO PA 22 COMMITTEE’S POLICY STATEMENT AND GRANT AGREEMENT REFLECTING CHANGES TO HIGH VISIBILITY TURF REMOVAL AND RETROFIT COMPONENT (PA22#2018.5)** 7

Presenter: Ian Achimore

Recommendation: Approve adoption of Policy Statement No. 5 and amending the Proposition 84 Drought Round Grant Agreement to allow highly visible commercial properties to receive turf removal rebates under the Emergency Drought Grant Program.

B. **CITY OF RIALTO CONSERVATION-BASED RATE STUDY PROCESS (PA22#2018.6)** 13

Presenter: Ian Achimore

Recommendation: Approve City of Rialto’s work-to-date of the initial implementation of a rate analysis as complying with the PA 22 Committee conservation-based rates policy statement.

C. **EMERGENCY DROUGHT GRANT PROGRAM SCHEDULE AND BUDGET UPDATE (PA22#2018.7)** 25

Presenter: Ian Achimore

Recommendation: Receive and file.

5. FUTURE AGENDA ITEMS

6. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, March 15, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2018 Project Agreement 22 Committee Regular Meetings

Fourth Thursday of Every Month

(Note: All meetings begin at 8:00 a.m., unless otherwise noticed, and are held at SAWPA.)

January 1/25/18 Regular Committee Meeting	February 2/22/18 Regular Committee Meeting [cancelled]
March 3/22/18 Regular Committee Meeting	April 4/26/18 Regular Committee Meeting
May 5/24/18 Regular Committee Meeting	June 6/28/18 Regular Committee Meeting
July 7/26/18 Regular Committee Meeting	August 8/23/18 Regular Committee Meeting
September 9/27/18 Regular Committee Meeting	October 10/25/18 Regular Committee Meeting
November 11/15/18* Regular Committee Meeting*	December 12/27/18 Regular Committee Meeting

* Meeting date adjusted due to conflicting holiday.



PROJECT AGREEMENT 22 COMMITTEE
Interregional Landscape Water Demand Reduction Program
REGULAR MEETING MINUTES
January 25, 2018

COMMITTEE MEMBERS PRESENT

Halla Razak, General Manager, Inland Empire Utilities Agency
Paul D. Jones, General Manager, Eastern Municipal Water District [Chair]
Michael Markus, General Manager, Orange County Water District [Vice Chair]

COMMITTEE MEMBERS ABSENT

Craig Miller, General Manager, Western Municipal Water District
Doug Headrick, General Manager, San Bernardino Valley Municipal Water District

STAFF PRESENT

Dean Unger, Ian Achimore, Larry McKenney, Karen Williams, Rick Whetsel, Zyanya Blancas

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order at 8:04 a.m. by Chair Jones at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

2. PUBLIC COMMENTS

There were no public comments.

3. WELCOME NEW COMMITTEE MEMBERS

Chair Jones welcomed newly appointed General Manager Halla Razak from Inland Empire Utilities Agency.

4. APPROVAL OF MEETING MINUTES: NOVEMBER 16, 2017

MOVED, approve the November 16, 2017 meeting minutes.

Result:	Adopted (Unanimously; 3-0)
Motion/Second:	Markus/Jones
Ayes	Jones, Markus, Razak
Nays:	None
Abstentions:	None
Absent:	Headrick, Miller

5. COMMITTEE DISCUSSION ITEMS

A. EMERGENCY DROUGHT GRANT PROGRAM OVERVIEW FOR NEW PA22 COMMITTEE MEMBERS (PA22#2018.1)

Ian Achimore provided a PowerPoint presentation on an overview of the Emergency Drought

Grant Program for the new PA22 Committee members present. This was an overview of Proposition 84 Grant Agreements, PA22 and PA23 Committee formation, also the Emergency Drought Grant Program's partners, budgets, schedule and SAWPA's role.

Larry McKenney added that due to the number of agreements and the complexity of the Program, it is very valuable to have the PA22 Committee, which has the authority to set policies for the Program on behalf of the SAWPA Commission.

This item was for information purposes only; no action was taken on Agenda Item No. 5.A.

B. EMERGENCY DROUGHT GRANT PROGRAM SCHEDULE AND BUDGET UPDATE (PA22#2018.2)

Ian Achimore provided a brief oral update of the Emergency Drought Grant Program (Program) Schedule and Budget. The Program has currently completed 46% of grants and has met 84% of match requirements. The total of grant and match that has been invoiced to SAWPA is 59%.

Chair Jones informed Achimore that Eastern Municipal Water District has completed their retrofit and is in the process of invoicing SAWPA.

This item was for information purposes only; no action was taken on Agenda Item No. 5.B.

C. EMERGENCY DROUGHT GRANT PROGRAM COST SAVINGS (PA22#2018.3)

Ian Achimore provided a PowerPoint presentation regarding SAWPA and the Advisory Workgroup's efforts in exploring options to allocate the Emergency Drought Grant Program (Program) cost savings.

Reasons for cost savings derive from the Aerial Mapping and Web-Based Tool components coming in at a lower cost than projected and the decision made by three retail water agencies not to adopt budget based rates, and therefore not utilizing their funds from the second phase of their contract. To utilize cost savings, the PA22 Committee approved an expansion of the Program to implement more turf removal and to create the cloud based aerial imagery platform and the Meter Geocoding and Business type classification component.

Based on spending projections and past spending documented through November 30, 2017, the grant will have a remaining savings of approximately \$245,000. The estimate of grant savings makes several assumptions; the six major assumptions were referenced and are located in the agenda packet pages 13-14.

SAWPA staff has discussed various alternatives for using the projected grant savings with the Advisory Workgroup and the SAWPA member agency general managers. Utilization of additional cost savings include:

- Conservation-Based Water Rates Component – Funding incentives to remaining retail water agencies with a possible allocation based on high percentage of their service area that may be designated as a disadvantaged community.
- Turf Removal – Expand the existing component by providing additional funds for existing projects.
- Sustainable Landscape Program – Provides funding to commercial entities.

The Sustainable Landscape Program (not part of the Emergency Drought Grant Program) would fund turf removal and drought tolerant install on commercial properties. SAWPA's role would be to implement turf removal by managing landscape contractor(s). Achimore raised concerns with the Sustainable Landscape Program stating that it would focus on commercial properties instead of public agencies or HOAs, it would hold up retention for other agencies, and it would make management of the overall Program's schedule and budget difficult. Further detail on the Sustainable Landscape Program with budget estimate of staff time will be presented at a future PA22 Committee meeting.

Achimore emphasized that the disadvantage community allocation was received favorably at the Advisory Workgroup meeting and staff is leaning towards that option.

This item was for information purposes only; no action was taken on Agenda Item No. 5.C.

D. DRAFT REPORT FOR THE WEB-BASED INFORMATION TOOL (PA22#2018.4)

Chelsea Minton from EagleView (formerly OmniEarth) provided a PowerPoint presentation summarizing the results of a Lessons Learned survey conducted towards participating retail agencies of the Web-Based Information Tool (Tool).

Overall, 82% of participating agencies saw an increase in efficiency while they had access to water budget and land cover data. Most of the participating retail agencies noted that the tools and datasets provided by the Tool were valuable for meeting upcoming California state regulations.

The most commonly cited challenges were lack of approval by the agency's board or management, the shifting of organizational priorities, and lack of internal resources. Agencies stated that 50% of the challenges presented by the data/toolset were internal and could not have been addressed by SAWPA or the vendor. As an industry, inconsistent data standards continue to drive higher costs in providing data services.

Minton indicated that EagleView acquired OmniEarth and upon managerial review, EagleView will not continue to support its water efficiency products. EagleView will carry on to assist SAWPA through the end of the Web-Based Water Consumption Reporting and Customer Engagement Project, which is expected to be completed in June 2018. Licensing of the product will most likely not be sold to other vendors.

The PA22 Committee expressed their concerns with EagleView's decision to cease water efficiency products and discussed participating agencies' future issues as a result of this decision. Minton stated that the data is exportable and provides land cover data and existing water budget historically every single month for the last four years for every parcel in a participating retail agency's service area. This will assist agencies when upcoming state regulations are set in place.

This item was for information purposes only; no action was taken on Agenda Item No. 5.D.

E. METROPOLITAN WATER DISTRICT'S INNOVATIVE CONSERVATION PROGRAM ICP

Bill McDonnell, Water Efficiency Manager at Metropolitan Water District (MWD), provided a PowerPoint presentation on MWD Innovative Conservation Program (ICP).

The ICP is a competitive grant program which funds projects with potential water savings and reliability of innovative water saving devices, technology, and strategies. It is currently being funded by MWD, the U.S. Bureau of Reclamation, Southern Nevada Water Authority,

the Central Arizona Project, and Western Resources Advocates. For more information on past ICP recipients visit www.bewaterwise.com.

Committee member Razak questioned how the panel determines a project is viable and how benefits are predicted and then measured. McDonnell clarified that the evaluation criteria do assess the validity of the project and review its possible results in some detail. Chair Jones asked if any of projects can become mandates, such as plumbing code provisions. McDonnell stated that projects can become mandates and some are currently in rebate programs.

The PA22 Committee agreed that the ICP would be a program of interest to assist. Upon discussion it was determined that the ICP would benefit from obtaining business data points from the Committee.

This item was for information purposes only; no action was taken on Agenda Item No. 5.E.

6. **FUTURE AGENDA ITEMS**

There were no proposed future agenda items.

7. **ADJOURNMENT**

There being no further business for review, Chair Jones adjourned the meeting at 9:41 a.m.

Approved at a Regular Meeting of the Project Agreement 22 Committee on Thursday, March 22, 2018.

Paul D. Jones II, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

PA 22 COMMITTEE MEMORANDUM NO. 2018.5

DATE: March 22, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Updates to PA 22 Committee's Policy Statement and Grant Agreement Reflecting Changes to the High Visibility Turf Removal and Retrofit Component

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Approve adoption of Policy Statement No. 5 and amending the Proposition 84 Drought Round Grant Agreement to allow highly visible commercial properties to receive turf removal rebates under the Emergency Drought Grant Program.

DISCUSSION

In order to complete the Emergency Drought Grant Program (Program) by the extended Grant Agreement's end date of December 31, 2018, SAWPA is working with the Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD) on expeditiously utilizing the lower watershed's grant allocation of \$880,894 for the High Visibility Turf Removal and Retrofit Component (component). The Grant Agreement amendment, which changed the component's budget and moved its end date from the original timeframe in December 2017 to December 2018, was approved by the PA 22 Committee and sent to DWR on August 24, 2017.

Each of the five SAWPA member agencies are in different stages of utilizing their grant allocations, which were calculated and approved by the Project Agreement 22 Committee on April 23, 2015. The Grant Agreement and policy statements from the Committee currently allow institutional and home owner agency (HOA) projects in the Santa Ana River Watershed to be eligible to receive rebates from the SAWPA member agencies and MWDOC. SAWPA reimburses the SAWPA member agencies and MWDOC for their incurred rebate costs through individual Sub-Grantee agreements that were executed by each of the agencies and SAWPA in 2015.¹

MWDOC is interested in utilizing their allocation and has requested to amend the Grant Agreement to allow commercial properties to be eligible. Unfortunately there has not been a high volume of institutional or HOA properties that have taken advantage of the grant in the MWDOC/OCWD area, likely due to the conclusion of the 2012-2016 drought. Approximately ten commercial properties that are highly visible would be able to utilize the allocation immediately, thus assisting in MWDOC/OCWD's ability to complete the Program on time. SAWPA and MWDOC calculated that 16 average size projects from commercial, institutional or HOA properties would be need to complete their projects by December 2018. Based on previous turf removal project timelines and widening the eligibility requirements, the 16 project goal is attainable.

¹ In the lower watershed, SAWPA has a Sub-Grantee agreement with OCWD; OCWD has an agreement with MWDOC that passes down the conditions from their Sub-Grantee agreement to MWDOC.

SAWPA supports this request as extending the grant, and managing the component for a further length of time with just institutional and HOA properties being eligible, or changing allocations between agencies, would lead to further administration costs. MWDOC is also still prioritizing institutional projects as they have completed a thorough marketing effort to all the public agencies in their service area about the availability of remaining funds from the grant. In addition, an immediate demand for turf removal rebates from commercial entities that are highly visible meets the conditions of DWR’s original grant guidelines that “provide immediate regional drought preparedness.”² Staff met with the advisory workgroup of SAWPA member agency (and MWDOC) water conservation staff, and those in attendance agreed with the consensus to allow commercial entities to be eligible.

In order to facilitate this change, SAWPA would request that DWR add the phrase “commercial properties” to the grant agreement amendment. SAWPA staff has discussed this with DWR and it will not further delay the original amendment requested in August 2017. SAWPA also drafted a new policy statement to update the Committee’s two previous policy statements on the component by broadening the definition of “institutional” from just public agency and HOA properties to also include commercial properties. MWDOC staff and the other conservation managers have requested an exclusion for commercial golf courses as these entities already have a strong incentive to remove turf as it affects their bottom line profits, compounded by the fact that they usually have seasoned irrigation professionals who closely monitor their water use and any rebate opportunities to reduce it. The new policy statement also removed the rebate cap of \$250,000 that was adopted in the original PA 22 Committee policy statement in 2015, as the priority at this stage in the Program is to expedite expenditure of the grant funds.

BACKGROUND

The following table displays the amount of grant and square feet of turf to be removed through rebates administered by Sub-Grantee. Column C displays the amount of funding, which was, upon request by the Sub-Grantees, provided to them by utilizing the cost savings from the other Program’s components such as the aerial imagery and vegetation classification analysis.

A	B	C	D	E
Sub-Grantee	Allocation: Grant Amount in Santa Ana River Watershed	Additional Funding Provided by Grant Agreement Amendment³	Allocation: Total Grant Amount	Allocation: Total Square Feet (SF) of Turf Removed
EMWD	\$906,800	\$598,329	\$1,505,129	1,296,638
IEUA	\$807,564	\$340,000	\$1,147,564	1,095,615
OCWD/MWDOC	\$880,894	\$0	\$880,894	824,228
SBVMWD	\$828,499	\$0	\$828,499	775,204
WMWD	\$851,243	\$130,000	\$981,243	1,165,610
Total	\$4,275,000	\$1,068,329	\$5,343,329	5,157,295

² Proposal Solicitation Package for 2014 IRWM Drought Grant Solicitation, page 7.

³ Approved by Project Agreement 22 Committee on August 24, 2017.

**Policy Statement for PA 22 No. 1:
Commercial, Institutional, Publicly Owned and HOAs Turf
Removal Project**

The SAWPA Commission approved Project Agreement 22 (PA22) on October 7, 2014 for the purpose of transforming the choice of landscaping palette in the Santa Ana River and Upper Santa Margarita watersheds, as well as developing and implementing demand reduction and water use efficiency measures to effect an urgent response to the current drought.

Project Agreement 22 created the PA22 Committee to implement measures as part of the Interregional Landscape Water Demand Reduction Program (Demand Reduction Program), which is funded through local funding match and grant funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84, Chapter 2).

For the Commercial, Institutional, Publicly Owned and HOA Turf Removal Project (the Project) component of the Demand Reduction Program, the PA22 Committee intends to issue an allocation of the \$4,300,000 in Proposition 84 grant funding for the Santa Ana River Watershed.

The intent of the PA22 Committee is to direct grant funding for the Project to highly visible properties that are maintained by a public agency or homeowner association, with a rebate cap per property of \$250,000 without specific Committee approval.

The allocation of grant funding for the Project is subject to two reimbursement allocations. The Initial Allocation, which includes 60% of the grant funding (\$2,580,000), will be divided to the subregions based on the mean value of each subregion's proportional share of the Santa Ana River Watershed's population, evapotranspiration rates and geographic location (based on the supporting technical memorandum to this policy statement):

- Subregion 1: \$546,000
- Subregion 2: \$488,000
- Subregion 3: \$532,000
- Subregion 4: \$500,000
- Subregion 5: \$514,000

The Initial Allocation will be available until June 30, 2017. Thereafter the balance of funds that have not been reimbursed to a subregion are subject to reallocation by the PA22 Committee.

The Second Allocation, which includes 40% of the grant funding (\$1,720,000), will commence on December 31, 2016 and be reimbursed on a first come, first serve basis to the subregions in the Santa Ana River Watershed.

The intent of the PA22 Committee is to work proactively to ensure funding from the Metropolitan Water District of Southern California rebate program for turf grass removal is available for local match for the Project.

**Policy Statement for PA 22 No. 3:
Institutional and HOA Turf
Removal Project for the Santa Ana River Watershed**

The SAWPA Commission approved Project Agreement 22 (PA22) on October 7, 2014 for the purpose of transforming the choice of landscaping palette in the Santa Ana River and Upper Santa Margarita watersheds, developing a wide range of tools to assist agencies with reducing overall demand in response to the current drought.

Project Agreement 22 created the PA22 Committee to set policies as part of the Interregional Landscape Water Demand Reduction Program (Program), which is funded through local funding match and grant funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84, Chapter 2).

On February 26, 2015 the PA22 Committee adopted Policy Statement No. 1 that designated a two-phased allocation approach for the five subregions of the Santa Ana River Watershed for the Institutional and HOA Turf Removal Project (Project) component of the Program.

Based on Governor Edmund G. Brown's April 1, 2015 Executive Order which orders the State Water Resources Control Board to impose a 25% statewide reduction in potable urban water usage through February 28, 2016, the PA22 Committee desires to move forward with turf grass removal as rapidly as possible. Therefore the two-phased allocation provision from the PA22 Committee's Policy Statement No. 1 is withdrawn.

In order to provide public agencies and HOAs with assistance to meet the Governor's direction, the intent of the PA22 Committee is to direct grant funding expeditiously and efficiently through a single allocation using the same three criteria from Policy Statement No. 1.

The subregions will receive the following allocations of \$4,275,000 budgeted for the Project:

- Subregion 1: \$906,800
- Subregion 2: \$807,564
- Subregion 3: \$880,894
- Subregion 4: \$828,499
- Subregion 5: \$851,243

After a year and a half of implementation of the Program (approximately January 1, 2017) the PA22 Committee will review project commitments and consider reallocations within the Santa Ana River Watershed as appropriate.

The other provisions of Policy Statement No. 1 remain in effect.

**DRAFT Policy Statement for PA 22 No. 5:
Institutional and HOA Turf
Removal Project for the Santa Ana River Watershed**

In order to expeditiously complete the Interregional Landscape Water Demand Reduction Program (now known as the Emergency Drought Grant Program) by the deadline in the Proposition 84 Drought Round Grant Agreement (Grant Agreement), the PA22 Committee hereby determines as of the execution of the first amendment to the Grant Agreement that turf removal and drought tolerant installation projects (projects) on otherwise eligible highly visible Institutional properties owned by commercial institutions are eligible and that the project rebate cap of \$250,000 without specific Committee approval is hereby removed.

The PA22 Committee affirms that commercial properties that are used primarily as golf courses are still not considered eligible. This sub-category of commercial institutions already have a strong incentive to remove turf as it affects their profits, compounded by the fact that they usually have seasoned irrigation professionals who closely monitor their water use and any rebate opportunities to reduce it.

The PA22 Committee reaffirms its support of prioritizing highly visible categories of institutional and homeowner association (HOA) projects to be funded by rebates that are financed, in part, by the Grant.

The PA22 Committee originally focused the Program on public agency and HOA properties. The Program's description in the Grant Agreement included Institutional land owners, and the Committee subsequently interpreted Institutional projects as those implemented on church properties. The Grant Agreement and Sub-Grantee Agreements include "Institutional" properties as being eligible, and this Policy Statement broadens the previous Committee Policy Statement that focused on publicly-owned and HOA properties.

PA 22 COMMITTEE MEMORANDUM NO. 2018.6

DATE: March 22, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: City of Rialto Conservation-Based Rate Study Process

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Approve the City of Rialto's work-to- date of the initial implementation of a rate analysis as complying with the PA 22 Committee conservation-based rates policy statement.

DISCUSSION

Through the Emergency Drought Grant Program, SAWPA has implemented the Conservation-Based Water Rates component by entering into Sub-Grantee agreements with various retail water agencies in the watershed. The Sub-Grantee agreements allow SAWPA to reimburse the retail agencies for up to \$215,030 using funds provided by the Department of Water Resources (DWR) Proposition 84 Drought Grant. On March 26, 2015 the PA 22 Committee adopted Policy No. 2 to help implement that component by defining:

- "Conservation-based rates" as described in the DWR Grant Agreement as budget-based rates with three escalating tiers,
- The two phased approach where a retail agency has access to 50% of their contract amount before their elected board make a decision on whether to adopt the rate structure (and the remaining funds in the contract if the rate structure is approved), and
- The eligible costs for studying and implementing conservation-based rates such as billing system needs, public outreach and other internal needs an agency may need to accomplish adopting conservation-based rates.

Staff has been working with the City of Rialto since the execution of their Sub-Grantee agreement in 2015 to assist them with the process of analyzing conservation-based rates. The City has gone through several staff changes that delayed implementation of the rate analysis process. In 2017, the City was able to download their customer water use information through their billing system, Incode, which is managed by a third party, Veolia Water Technologies. Veolia Water Technologies is a consultant to the City's private sector concessionaire Rialto Water Services LLC. The City's rate consultant and GIS management consultant have drafted an analysis of their billing data which has prepared them for moving forward conservation-based rates, but due to Incode's billing system limitations, they would not be able to implement conservation-based rates and calculate budgets on a discrete customer basis until the next three years. Intermediate steps within that three years include renegotiating new concession agreement terms with Rialto Water Services LLC, which may affect the duties of Veolia Water Technologies, and update their 11,000 water meters in order to be read remotely.

Rialto has invoiced SAWPA for approximately \$57,000 under the Sub-Grantee Agreement. Staff believes that by providing a final summary of their analysis conducted regarding their billing information data, water demand data based on information provided by aerial imagery, and

revenue requirements, the intent of the Policy Statement will have been met and adequate deliverables will be provided that meet the Grant Agreement funding requirements. With this preparatory work, Rialto will have made progress toward adopting conservation-based rates and will be able to utilize this information for a future rate change. Unfortunately, even with the recent time extension to December 31, 2018 as reflected in the amended Grant Agreement, Rialto stated they will not be able to complete their final conservation based water rate analysis necessary for their City Council consideration for another 2-3 years due to new billing software implementation. Staff has informed the City that the Santa Ana River Conservation and Conjunctive Use Program has funding to support an additional five agencies implement conservation-based rates and a future partnership may be available.

BACKGROUND

The remaining retail water agencies participating in the Conservation-Based Water Rates component include the Cities of Hemet, Chino Hills, Chino and Tustin. The City of Tustin contacted SAWPA staff in March and stated they would be rescinding their participation in the Emergency Drought Grant Program as they cannot meet the December 31, 2018 deadline to present their rate structure to their City Council. Due to two City Council members terming out in 2018, City management wants to ensure that the new roster of City Council members can be informed about conservation based rates as necessary to approve a major water rate change. The amount of time to conduct this process was deemed well beyond the Grant Agreement deadline even with the recent SAWPA requested DWR grant agreement amendment time extension. The City of Tustin's rescission does not present any issues with the PA 22 Committee policy statement because unlike Rialto, they have not invoiced SAWPA for their rate analysis to date. The Cities of Hemet, Chino Hills and Chino are still moving forward with modifying their rates by the December 31, 2018 date and SAWPA staff corresponds with them frequently to receive updates.

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for staff to manage the Conservation-Based Water Rates component will come from the Proposition 84 IRWM Drought Grant shown in the labor categories within the FYE 2018 fiscal year in the Committee's two year budget.

Attachments

- Conservation-Based Rates Component Policy Statement (No. 2)
- Rialto Sub-Grantee Agreement

Policy Statement for PA 22 No. 2: Implementation of Conservation Based Rate Structures Project

The SAWPA Commission approved Project Agreement 22 (PA22) on October 7, 2014 for the purpose of transforming the choice of landscaping pallet in the Santa Ana River and Upper Santa Margarita watersheds, developing a wide range of tools to assist agencies with reducing overall demand in response to the current drought, and implementing water rate structures that promote water use efficiency and at the same time sustain revenue stability as efficiency increases and the drought continues.

Project Agreement 22 created the PA22 Committee to set policies as part of the Interregional Landscape Water Demand Reduction Program (Demand Reduction Program), which is funded through local funding match and grant funding provided by the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84, Chapter 2).

For the Implementation of Conservation Based Rate Structures Project (the Project) component of the Demand Reduction Program, the PA22 Committee intends this policy for the funding provided by the grant to assist up to ten retail water agencies in implementing conservation-based rate structures within the Santa Ana River Watershed.

The Project will include a stair step outreach approach with workshops aimed at agency decision-makers on the economic and political benefits of conservation-based rates. Initial workshops will be supported by targeted follow-up meetings with interested agencies. These meetings are intended to educate policy makers and retail water agency staff on conservation-based rate structures and billing system requirements, and how grant funding provided by the Project can assist each agency who chooses to transition to new rate structures.

The \$2,322,000 budgeted for the Project would be apportioned into an allocation for region-wide support tools and an allocation for individual retail water agency support.

A portion of the funding will provide education (workshops, individual agency meetings, etc.) and be available to develop region-wide support tools which could include landscape square footage and aerial imaging databases, a localized evapotranspiration data gathering and reporting tool, a water efficiency calculator, a water rate modeling tool and billing system options. These tools are intended to provide benefits to retail agencies in the Santa Ana River Watershed with enough flexibility that any retail agency could quickly and effectively use them. As technology moves quickly, the PA22 Committee seeks to maintain flexibility in assessing and selecting tools that can provide the most benefit to member agencies.

Each retail water agency that is identified through the targeted outreach will be eligible to receive a proportion of the allocation for individual retail water agency support. Prior to adoption of conservation based water rates, the targeted retail agency shall be eligible to receive 50% of their allocation, based upon approval by the PA22 Committee, for billing system needs, website upgrades, public outreach, including Proposition 218 related outreach, and other internal needs an agency may have to accomplish adopting conservation-based rates. The retail water agency allocations will be capped at a level determined prior to December 31, 2015 by the PA22 Committee in order to allow sufficient time to itemize the costs of the region-wide support tools. In order to be eligible, agencies shall provide updated customer use data on a quarterly basis or monthly basis, including the corresponding Assessor's Parcel Number (APN) and account address in order to establish a water usage baseline. The remaining 50% allocation would be available to agencies who take successive steps toward the adoption of conservation based rates. PA22 Committee approval of such funds would be based on requests filed by agencies and

determined on an agency by agency basis. The remaining allocation of funding for retail agency support will be made available upon the agency's adoption of conservation based water rates by its board.

For the purposes of eligibility, adoption of conservation based water rates is defined as an agency transitioning from a flat or tiered rate structure to a customer-specific allocation that follows an increasing block rate structure that includes at least three blocks, with one or more blocks accounting for high or exceeding water use, based on State efficiency standards or more stringent efficiency standards. The customer class for which the rate applies shall comprise at least 50% of the agency's potable water demand.

**PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM 2014
DROUGHT SOLICITATION IMPLEMENTATION GRANT FUNDING CONTRACT
BETWEEN THE**

SANTA ANA WATERSHED PROJECT AUTHORITY

AND

CITY OF RIALTO

This Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract ("Contract") is made between Santa Ana Watershed Project Authority, acting through the Project Agreement 22 Committee ("SAWPA"), and City of Rialto (the "Sub-Grantee"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, on July 20, 2015, the California Department of Water Resources ("DWR") and SAWPA entered into a Proposition 84 Integrated Regional Water Management Implementation Grant Agreement ("Grant Agreement") providing that SAWPA would serve as the program manager for the \$12,860,110 in IRWMP grant funds to be disbursed to sub-grantees, consistent with IRWMP requirements, and ensuring that the maximum benefit of such funds are realized in the Santa Ana River and the Upper Santa Margarita Watersheds; and

WHEREAS, the Sub-Grantee is participating in the Implementation of Conservation Based Rate Structures Project ("Project"); and

WHEREAS, at the time of the request, SAWPA adopted a policy statement that defined adoption of conservation-based water rate structures as an agency transitioning from a flat or tiered rate structure to a customer-specific allocation that follows an increasing block rate structure that includes at least three blocks, with one or more blocks accounting for high or exceeding water use, based on State efficiency standards or more stringent efficiency standards. The policy statement specified that the customer class for which the rate applies shall comprise at least 50 percent of the agency's potable water demand.

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Contract, the Parties hereby agree to the following:

SECTION 1. PROJECT DESCRIPTION

The Sub-Grantee participates in investigation and possible implementation of conservation-based water rates structure. The Sub-Grantee will receive IRWMP grant funds in two phases.

Phase 1

This phase will occur after invoicing is completed for work needed to prepare an agency to possibly implement and prepare a governing board to possibly adopt a conservation-based water rate structure ("Phase 1").

Phase 2

This phase will occur after invoicing of the Sub-Grantee's costs for implementation of a conservation-based water rate structure after adoption by the Sub-Grantee's elected governing board ("Phase 2"). If adopted, the Sub-Grantee will maintain its conservation-based water rate structure in accordance with the policy statement for three years after the date of adoption of a conservation-based water rate structure by the Sub-Grantee's elected governing board.

SECTION 2. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE; SUB-GRANTEE GENERAL COMMITMENT

This Contract incorporates and includes as part of its terms and conditions the Grant Agreement between DWR and SAWPA, Agreement No. 4600010903, attached hereto as **Attachment "A"**.

In the event of any inconsistency between this Contract and the Grant Agreement, except as otherwise specifically provided, the inconsistency shall be resolved by giving precedence to the Grant Agreement.

The Sub-Grantee shall comply with all terms, provisions, conditions, and commitments of this Contract and the Grant Agreement (as the Grant Agreement pertains to the Grantee). Such compliance shall include providing SAWPA with all deliverables, budget detail, reports and all other documents required by the Grant Agreement (as the Grant Agreement pertains to the Grantee).

On behalf of and for the benefit of SAWPA, Sub-Grantee shall comply with all of the obligations and requirements of the Grant Agreement as if the Sub-Grantee were the "Grantee" under the terms of the Grant Agreement (as the Grant Agreement pertains to the Grantee). Such compliance shall be to the extent reasonably necessary and as may be reasonably required by SAWPA in order to enable SAWPA to comply with the Grant Agreement as "Grantee."

SECTION 3. ESTIMATED ELIGIBLE COSTS; PHASE 1 AND 2 ALLOCATIONS; GRANT AMOUNT

The estimated total reasonable and eligible cost of Phase 1 and Phase 2 at the time of SAWPA and DWR's approval of the Grant Agreement is up to \$215,030.00. Funding will be provided on a reimbursement basis of the Sub-Grantee's expenses. There are no matching funds required although only eligible costs are covered as described in this Section. The amount of eligible costs for reimbursement by IRWMP grant funds for Phase 1 is up to \$107,515.00. The amount of eligible costs for reimbursement for Phase 2 is up to \$107,515.00 although any portion of Phase 1's allocation not utilized by the Sub-Grantee is also eligible for reimbursement for the second phase. The Sub-Grantee is eligible for Phase 2's allocation once it provides SAWPA with a resolution of adoption of conservation-based water rates structures by the Sub-Grantee's elected governing board. In addition, to be eligible to receive IRWMP grant funds for Phase 2, the Sub-Grantee shall provide updated customer water use data for a period of time that SAWPA will specify before conservation-based water rates were adopted in order to establish a water usage baseline by customer class. For the reporting required described in Section 12 and 14 of this Contract, the Sub-Grantee shall report on water savings by customer class in order to provide an effective comparison to the established baseline.

Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in an amount not to exceed the Sub-Grantee's estimated reasonable costs. However, SAWPA's actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from DWR.

After Phase 2, if the Sub-Grantee fails or refuses to maintain its conservation-based water rates structure for three (3) years after adoption, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA's sole right and remedy for violation of this section is to require any monies received by Sub-Grantee from SAWPA for Phase 2 to be returned with interest calculated at the State of California general obligation bond interest rate in effect at the time of the breach. Sub-Grantee will not be in violation of this section for failure to maintain the conservation-based rates due to the establishment or change of law or ruling on the part of a court which provides that conservation-based water rates are not allowed by law.

If actual costs exceed the estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedance.

Eligible project costs include the reasonable costs of a water rates consultant, a rate design study, aerial imagery and global information system data, legal review, consultant fees for training board members, temporary customer service during the initial implementation of the work, Proposition 218 notices, bill design and shadowing and initial equipment needed during the implementation of the conservation based water rate structure.

Costs not eligible for reimbursement or eligible to be counted as local match include, but are not limited to:

- Costs incurred before the dates specified below.
- Operation and maintenance costs, including post monitoring costs.
- Purchase of equipment that is not an integral part of the project.
- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Support of existing agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project.
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement.
- Overhead not directly related to project costs.
- Travel and per diem costs.

Work performed after January 1, 2010, is eligible to be counted as local match. Work performed on or after January 17, 2014, is eligible for reimbursement.

SECTION 4. DISBURSEMENT

IRWMP grant funds will be disbursed in accordance with the disbursement provisions of the Grant Agreement. Disbursement will follow the invoicing received by SAWPA and transmitted to DWR in accordance with Section 10 and the allocations in accordance with Section 1.

SECTION 5. FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS

The Sub-Grantee agrees that, at a minimum, its fiscal control and accounting procedures shall be sufficient to permit tracking of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Contract. The Sub-Grantee shall maintain separate Project accounts in accordance with generally accepted government accounting standards and the conditions outlined in Exhibit D.

SECTION 6. TERM

This Contract shall not be effective until it has been executed by the Parties. The Term of this Contract shall be the same as the Term of the Grant Agreement, unless sooner terminated pursuant to the provisions of this Contract or the Grant Agreement. Notwithstanding the foregoing, the obligations of this Contract and the Grant Agreement shall continue through the life of the Grant Agreement.

SECTION 7. COVENANT TO MAINTAIN RATE STRUCTURE PROGRAM

Under Phase 2, the Sub-Grantee shall maintain and implement its conservation-based water rates structure for three (3) years following adoption, provided that Sub-Grantee may change its rates during such three (3) year period provided that the changed rates are conservation-based rates. The Parties understand and agree that this covenant shall survive the expiration or termination of this Contract. The Parties agree that reporting on the benefits of the rate structure implementation is required until June 30, 2028.

SECTION 8. COMPLIANCE WITH GRANT REQUIREMENTS, LAWS AND REGULATIONS

Before IRWMP grant funds are provided for the adoption of conservation-based water rates, the Sub-Grantee shall:

- (1) Provide SAWPA with documentation showing the adoption of the Santa Ana Funding Area's IRWM Plan, the One Water One Watershed 2.0 Plan which is available on SAWPA's website.
- (2) Provide documentation from DWR that verifies the supplier's 2010 Urban Water Management Plan (UWMP) addresses the requirements of the California Water Code (CWC).
- (3) Self-certify their compliance with the requirements contained in AB 1420.
- (4) Self-certify their compliance with the water metering requirements contained in CWC Section 525 et. seq.
- (5) If applicable, provide their surface water diversion reports surface water diversion reports in compliance with requirements outlined in Part 5.1 (commencing with Section 5100) of Division 2 of the CWC.

The Sub-Grantee agrees that it shall, at all times, comply with and require its consultants, contractors and subcontractors to comply with all applicable federal and state laws, rules, regulations and guidelines as described in the Grant Agreement, including Exhibit D. To maintain eligibility, the Sub-Grantee, as an urban water supplier, must meet the following ongoing requirements to receive IRMWP grant funds:

Maintain compliance with the Urban Water Management Planning Act and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6. By June 28, 2016, submit documentation to SAWPA that demonstrates the Sub-Grantee is meeting the 2015 interim gallons per capita per day (GPCD) target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD. Subsequently, if not meeting the 2015 GPCD target, submit annual reports that include a schedule, financing plan, and budget for achieving the GPCD every year by June 28, starting in 2017.

SECTION 9. WITHHOLDING OF GRANT DISBURSEMENTS

SAWPA may withhold all or any portion of the grant funds provided for by this Contract in the event that:

- (1) The Sub-Grantee has violated any term, provision, condition, or commitment of this Contract;
- (2) The Sub-Grantee fails to maintain its conservation-based water rates structure per Section 3 of this Contract; or
- (3) DWR directs SAWPA to withhold any such grant funds.

SECTION 10. INVOICING

- (A) Invoices shall be completed on a State-provided invoice form and shall meet the following format requirements:
- (1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - (2) Invoices must be itemized. Refer to **Attachment C**.
 - (3) Sufficient evidence of funding documentation must be provided for all costs included in the invoice.
 - (4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant.
- (B) Invoices also shall include the following information:
- (1) Appropriate receipts and reports for all costs incurred.

SECTION 11. RECORDS AND REPORTS

- (A) Without limitation on the requirement that the work be maintained in accordance with generally accepted government accounting standards, the Sub-Grantee shall comply with the records and reporting requirements imposed by the Grant Agreement, and shall also:
- (1) Establish an official Project file that documents all significant actions relative to the Project;
 - (2) Establish an accounting system that adequately and accurately itemizes and describes final total costs of the work;
 - (3) Establish such accounts and maintain such records as may be necessary for the State, DWR and SAWPA to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- (B) The Sub-Grantee shall maintain its books, records and other material concerning the work in accordance with generally accepted government accounting standards and as required by the Grant Agreement.
- (C) The Sub-Grantee agrees to expeditiously provide, during implementation phase and for three (3) years after the termination of the Grant Agreement, such reports, data, information and certifications as may be reasonably required by SAWPA or DWR. Such documents and information shall be provided in electronic format.

SECTION 12. QUARTERLY PROGRESS REPORTS

Quarterly Progress Reports shall be completed using the templates provided as shown in **Attachment B**. Quarterly Progress Reports shall provide a brief description of the work performed, activities, milestones achieved, any accomplishments as well as any problems encountered in the performance of the work. The first quarterly report shall cover the period between August 1, 2015, and October 31, 2015, and be submitted

no later than November 15, 2015, to SAWPA, with future reports due in successive 3-month increments. Future quarterly reports shall cover the periods February-April (due May 15), May-July (due August 15), August-October (due November 15), and November-January (due February 15). Quarterly Progress Reports are required until the Project Closeout Documentation is received and submitted to the State.

SECTION 13. PROJECT REVIEW AND EVALUATION; FINAL REPORTS AND AUDIT

- (A) SAWPA may perform a project review or otherwise evaluate the project to determine compliance with the contract documents at any time or if questions about the proper use or management of the funds arise. SAWPA may review or evaluate the contractor or vendor for compliance with the terms and conditions of the contract document. The work review and evaluation may be performed by SAWPA or may be contracted to a responsible third party. Any findings and recommendations of the work review and evaluation shall be addressed by the Sub-Grantee within sixty (60) days of the date such findings and recommendations are provided to the Sub-Grantee and before the next invoice is paid by SAWPA.
- (B) SAWPA may call for an audit of financial information relative to the work at any time during the term of this Contract and for three years after project completion or final payment, whichever is later, where SAWPA determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal or state requirements. Where such an audit is called for, the audit shall be performed by a Certified Public Accountant independent of the Sub-Grantee and at the cost of the Sub-Grantee. The audit shall be in the form required by SAWPA.

SECTION 14. POST-PERFORMANCE REPORTS

Post-Performance Reports shall be submitted to SAWPA within seventy-five (75) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually until June 30, 2028.

SECTION 15. TERMINATION; IMMEDIATE REPAYMENT; INTEREST

- (A) SAWPA may terminate this Contract at any time prior to completion of the work for Sub-Grantee's violation of any provision of this Contract upon written notice by SAWPA of the violation and failure of Sub-Grantee to come into compliance within five days of the notification.
- (B) In the event of such termination, the Sub-Grantee agrees, upon demand, to immediately repay to SAWPA an amount equal to the amount of grant funds disbursed to the Sub-Grantee prior to such termination with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of SAWPA's notice of termination.
- (C) SAWPA may terminate this Contract should DWR terminate SAWPA as program manager, terminate funding for this Contract, or terminate the Grant Agreement. Upon such DWR-caused termination, SAWPA shall not be liable to Sub-Grantee for any damages, costs or expenses resulting from such termination. If the State so declares, Sub-Grantee shall be required to return any monies previously distributed to Sub-Grantee pursuant to the terms of the Grant Agreement.

SECTION 16. ARBITRATION

Any dispute which may arise under this Contract by and between the SAWPA and the Sub-Grantee, including the Sub-Grantee's subcontractors, shall be submitted to binding arbitration. The arbitrator shall decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Unless the Parties stipulate in writing to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation.

SECTION 17. COSTS AND ATTORNEY FEES

In the event of arbitration or litigation between the parties hereto arising from this Contract, it is agreed that the prevailing party shall be entitled to recover reasonable costs and attorney fees.

SECTION 18. WAIVER

Any waiver of any rights or obligations under this Contract or the Grant Agreement shall be in writing and signed by the Party making such waiver, and approved by SAWPA.

SECTION 19. AMENDMENT

This Contract may be amended at any time by mutual written agreement of the Parties.

SECTION 20. SAWPA REVIEWS; SUB-GRANTEE AS INDEPENDENT CONTRACTOR

- (A) The Parties agree that review or approval of the Project by SAWPA is for administrative and eligibility purposes only and does not relieve the Sub-Grantee of its responsibility to properly develop, adopt, implement, and maintain its conservation-based water rates structure. As between SAWPA and the Sub-Grantee, the Sub-Grantee agrees that it has sole responsibility for proper development, adoption, implementation, and maintenance of its conservation-based water rates structure.
- (B) The Sub-Grantee is an independent contractor exclusively responsible for the work funded by this Grant Funding Contract and that the Sub-Grantee is not acting as SAWPA's agent, nor is SAWPA acting as an agent of the Sub-Grantee.

SECTION 21. INDEMNIFICATION

The Sub-Grantee shall defend, indemnify and hold harmless SAWPA and its directors, commissioners, officers, employees, agents and assigns against any and all losses, claims, damages or liabilities, joint or several, including attorneys fees and expenses incurred in connection therewith, to which SAWPA may become liable in connection with or arising from this Contract. Sub-Grantee shall reimburse SAWPA for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or related to this Contract. Sub-Grantee shall indemnify and save SAWPA harmless from and against any claims, losses, damages, attorneys fees and expenses arising from any and all other contracts, contractors, subcontractors, suppliers, laborers, and any other person, entity or corporation furnishing or supplying such services, materials or supplies in connection with Sub-Grantee's work funded, in part, by this Contract. Sub-Grantee shall indemnify and save SAWPA harmless from any and all claims, losses, damages, attorneys fees and expenses that may arise from any breach or default by Sub-Grantee in the performance of its obligations under this Contract, or any act of negligence by the Sub-Grantee or any of its agents, contractors, subcontractors, servants, employees or licensees concerning the subject matter of this Contract. Sub-Grantee shall indemnify and hold SAWPA harmless from any and all claims, losses, damages, attorneys' fees and expenses arising out of the completion of the work or the authorization of payment of work costs or by the Sub-Grantee. No indemnification is required under this Section for claims, losses or damages arising out of the sole and exclusive misconduct or negligence under this Contract by SAWPA.

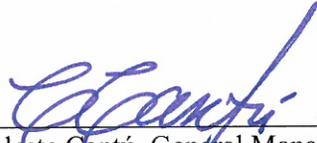
SECTION 22. PROJECT AND INFORMATION ACCESS

The Sub-Grantee agrees to ensure that SAWPA, DWR, or any authorized representative thereof, shall have reasonable access to supporting conservation rate structure information at all reasonable times during the term of the Grant Agreement, and thereafter for the useful life of this Contract.

IN WITNESS THEREOF, the parties have executed this Contract on the dates set forth below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Dated: 9-10-15

By: 
Celeste Cantú, General Manager

CITY OF RIALTO
Sub-Grantee

Dated: 9/24/15

By: 
City Manager
Michael E. Story
Typed Name

PA 22 COMMITTEE MEMORANDUM NO. 2018.7

DATE: March 22, 2018
TO: SAWPA Project Agreement 22 Committee
SUBJECT: Emergency Drought Grant Program Schedule and Budget Update
PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Receive and file.

DISCUSSION

The following information provides a high level overview of the scheduled completion dates of each of the Emergency Drought Grant Program's components, and the status of Program's spending in comparison to the overall budget in the Proposition 84 Grant Agreement.

Schedule Completion Dates by Component:

Project 1 Conservation Based Reporting Tools and Rate Structure Implementation

- Aerial Mapping: (Completed) July 2017
- Conservation Based Rates: July 2019
- Meter Geocoding & Business Classification: December 2018
- Web-Based Information Tool: June 2018

Project 2: High Visibility Turf Removal and Retrofit

- Turf Removal: December 2018

Note that dates above that are beyond December 2017 assume the DWR approves the amendment request provided to them in August 2017.

Status of Program Spending (As of January 31, 2018 invoices to SAWPA):

	Grant	Required Funding Match	Total
In Grant Agreement	\$ 12,860,110	\$ 7,051,533	\$ 19,911,643
Invoiced (\$)	\$6,118,805	\$ 5,943,834	\$12,062,639
Invoiced (%)	48%	84%	61%

CRITICAL SUCCESS FACTORS

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for the Project Agreement 22 updates will come from the Proposition 84 IRWM Drought Grant shown in the labor categories within the FYE 2018 fiscal year in the Committee's two year budget.