Allocation of Grant Savings to Remaining Retail Agencies

Conservation-Based Water Rates

Ian Achimore
Senior Watershed Manager
Santa Ana Watershed Project Authority
April 26, 2018
Emergency Drought Grant Program

Components

Focus of presentation is on Conservation-Based Water Rates
Scope of Conservation-Based Rates Component

- SAWPA provides funding and technical assistance (w/ Tom Ash of IEUA) to retail water agencies
- Funding = $215,030 per retail water agency
  - Two phased funding approach (50% : 50% split of $215,030) to incentivize adoption
Partnership with Retail Agencies

Grant Agreement

SAWPA

Individual Sub-Agreements
## Summary by Retail Agency

<table>
<thead>
<tr>
<th>Sub-Grantee</th>
<th>Conservation-Based Rates Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino</td>
<td>Study finalized; rate hearing in June 2018.</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>Study finalized; rate hearing on May 8, 2018.</td>
</tr>
<tr>
<td>Cucamonga Valley Water District</td>
<td>Rate study finalized; Board decided not to utilize rates on September 20, 2017.</td>
</tr>
<tr>
<td>East Valley Water District</td>
<td>Rate study finalized; Adopted rates on June 2015.</td>
</tr>
<tr>
<td>Garden Grove</td>
<td>Rate study finalized; Council decided not to utilize rates on August 22, 2017.</td>
</tr>
<tr>
<td>Hemet</td>
<td>Ongoing study; briefing management.</td>
</tr>
<tr>
<td>Rialto</td>
<td>Rate analysis finalized April 2018; moving forward with rates after deadline of Grant Agreement.</td>
</tr>
<tr>
<td>San Jacinto</td>
<td>Rate study finalized; Council decided to not utilize rates on December 5, 2017.</td>
</tr>
<tr>
<td>Tustin</td>
<td>Rate study draft finalized; moving forward with rate setting process after deadline of Grant Agreement.</td>
</tr>
</tbody>
</table>
Major Reasons Retailers End Participation in Rates Component

A. Issues with out-of-date billing systems that cannot calculate water-use budgets at the customer level,

B. Results from their recent rate studies that analyzed the implementation of conservation-based rates,

C. Decisions by their councils/boards, and

D. Feedback from management.

Retailer:  

Major Reason:  

D  B, C  B, C  A  B, C
Remaining Cities Participating

**Chino**
- Prop 218 Hearing: June 2018
- Implement rates if adopted: November 2018

**Chino Hills**
- Prop 218 Hearing: May 8, 2018
- Implement rates if adopted: July 2018

**Hemet**
- Rate study draft, Briefed City Council Members and Management Team, Scheduling Follow Up Workshops.
Applying Savings to Three Agencies

- Grant savings from 5 agencies ending participation:
  - $711,000 total
- Allocated between 3 remaining cities to serve as a further incentive to adopt rate structure:
  - $237,000 per city
- Additional $237,000 would increase Sub-Grantee agreements to $450,000 per agency
Incentivizing Rate Adoption

<table>
<thead>
<tr>
<th>Initial Allocation</th>
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</thead>
<tbody>
<tr>
<td>Phase 1 (Study)</td>
<td>$107,515</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 2 (Adopt and Implement)</td>
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<td>$107,515</td>
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<tr>
<td>Total Sub-Grantee Agreement</td>
<td></td>
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<td>$215,030</td>
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<table>
<thead>
<tr>
<th>Proposed Allocation</th>
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<tbody>
<tr>
<td>Phase 1 (Study)</td>
<td>$107,515</td>
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<td></td>
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<tr>
<td>Phase 2 (Adopt and Implement)</td>
<td></td>
<td>$344,789</td>
<td></td>
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<tr>
<td>Total Sub-Grantee Agreement</td>
<td></td>
<td></td>
<td>$452,303</td>
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</table>
Ensuring All Funding is Utilized

- Chino Hills and Chino are moving forward with rates at an accelerated pace.
- Hemet has projected that they can cover their projected rate conversion costs within the new Sub-Grantee agreement amount of $450,000.
- If any of the cities do not need up to $450,000, those left over funds would be allocated amongst the others.
Recommendation

Approve the following:

1) Distribution of the Conservation-Based Water Rates Project’s cost savings to the three remaining participating cities: Chino, Chino Hills and Hemet;

2) Preparation and execution of amendments to the three cities’ Sub-Grantee agreements.
Program Objectives

- Provide comprehensive water meter geocoding (account matching) services
- Classify commercial, industrial and institutional (CII) accounts using North American Industry Classification System (NAICS) coding
- Identify of mixed meter CII accounts as defined in the State’s final report entitled, Making Water Conservation a California Way of Life, Implementing Executive Order B-37-16.
- Implement for a minimum of six retail water agencies located within the Santa Ana River Watershed and the EMWD and WMWD service areas within the Upper Santa Margarita Watersheds.
- SAWPA staff and Conservation Advisory Workgroup will coordinate with consultant through regular meetings.
Program Highlights

- Miller Spatial selected to implement the Program
- Up to $300,000 in Prop 84 Grant funding authorized by SAWPA PA 22 Committee
  - Funding allocated on a first come / first serve basis
- Project completion estimated
  - October 31, 2018
Interested Agencies

- Monte Vista Water District
- Rancho California Water District
- Mesa Water District
- Fontana Water Company
- City of Chino Hills
- Cucamonga Valley Water District
- City of Ontario
- City of Upland
- City of Chino
- Western Municipal Water District
- Jurupa Community Services District
- City of Corona
- City of Norco
- Eastern Municipal Water District
- City of San Bernardino
- West Valley Water District
- Anaheim City
- Yorba Linda Water District
- Irvine Ranch Water District
- East Orange County Water District
## Status Update

<table>
<thead>
<tr>
<th>Agencies</th>
<th>Task 1: Agency Outreach &amp; Data Consultation</th>
<th>Task 2A: Technical Approach</th>
<th>SubTask 2A: Water Meter Account to Water Meter Service Area Matching Services (METERS)</th>
<th>SubTask 2B: Account Classification Services (NAICS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rancho California WD</td>
<td>Complete</td>
<td>Agreement</td>
<td>Complete</td>
<td>Complete</td>
</tr>
<tr>
<td>Monte Vista WD</td>
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<td>Agreement</td>
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<td>Complete</td>
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<tr>
<td>Mesa WD</td>
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<td>Agreement</td>
<td>Complete</td>
<td>Complete</td>
</tr>
<tr>
<td>Jurupa CSD</td>
<td>Additional Requests</td>
<td>Agreement</td>
<td>Complete</td>
<td>Complete</td>
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<tr>
<td>Irvine Ranch WD</td>
<td>Complete</td>
<td>Agreement</td>
<td>In Process</td>
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<td>Western MWD</td>
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<td>Agreement</td>
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<td>In Process</td>
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<td>San Bernardino City WD</td>
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<td>In Process</td>
<td>In Process</td>
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<td>Fontana WD</td>
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<td>In Process</td>
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<td>Cucamonga Valley WD</td>
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<td>Agreement Finalizing</td>
<td>In Process</td>
<td>Complete</td>
</tr>
<tr>
<td>Upland City WD</td>
<td>Additional Requests</td>
<td>In Process</td>
<td>In Process</td>
<td>In Process</td>
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<tr>
<td>West Valley WD</td>
<td>Complete</td>
<td>Agreement Finalizing</td>
<td>In Process</td>
<td>Complete</td>
</tr>
<tr>
<td>Eastern MWD</td>
<td>Complete</td>
<td>Agreement Finalizing</td>
<td>Waiting</td>
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<tr>
<td>Anaheim City WD</td>
<td>Complete</td>
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<td>Norco City WD</td>
<td>Complete</td>
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<tr>
<td>Corona City WD</td>
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<tr>
<td>Ontario City WD</td>
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<td>Chino Hills City WD</td>
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<tr>
<td>East Orange County WD</td>
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<td>In Process</td>
</tr>
<tr>
<td>Chino City WD</td>
<td>Contacted</td>
<td>Not Started</td>
<td>Not Started</td>
<td>Not Started</td>
</tr>
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Questions?
https://millerspatial.maps.arcgis.com/apps/SummaryViewer/index.html?appid=64bdd2a460b447d68a85ef00b437920c
Emergency Drought Grant Program Update

Ian Achimore
Senior Watershed Manager
Santa Ana Watershed Project Authority
April 26, 2018
Emergency Drought Grant Program

Components

Project 1: Conservation Based Reporting Tools and Rate Structure Implementation

Project 2: High Visibility Turf Removal and Retrofit
Note the Following Items Before Reading Charts

- The dates and funding amounts provided for project completion assume the DWR approves the amendment request approved by the PA 22 Committee on August 24, 2017.

- The funding amounts for Project 2 show that the Sub-Grantee agreements have been amended, per the approval of the PA 22 Committee on August 24, 2017. That action increased the funding available to Eastern Municipal Water District, Inland Empire Utilities Agency and Western Municipal Water District.

- The funding amounts reflect the latest invoices that have been submitted to SAWPA by February 28, 2018.
### Overall Program Status

<table>
<thead>
<tr>
<th></th>
<th>Grant</th>
<th>Required Funding Match</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Grant Agreement</td>
<td>$12,860,110</td>
<td>$7,051,533</td>
<td>$19,911,643</td>
</tr>
<tr>
<td>Invoiced ($)</td>
<td>$6,192,209</td>
<td>$5,943,834</td>
<td>$12,136,043</td>
</tr>
<tr>
<td>Invoiced (%)</td>
<td>48%</td>
<td>84%</td>
<td>61%</td>
</tr>
</tbody>
</table>
Status by Individual Project

<table>
<thead>
<tr>
<th>Grant Funds Invoiced</th>
<th>Project 1</th>
<th>Project 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoiced</td>
<td>51%</td>
<td>44%</td>
</tr>
<tr>
<td>Not Invoiced</td>
<td>49%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Scheduled dates of completion:

Project 1: Dec 2018
Project 2: Dec 2018
Scheduled dates of completion:

Mapping: (Completed) July 2017
Rates: Dec 2018
Geocoding: Dec 2018
Web-Based Tool: June 2018
Cloud Services: August 2018
*OCWD has an agreement with MWDOC that passes down the conditions from their Sub-Grantee agreement to MWDOC.
Turf Invoicing

- Although not all invoices have not been received, the Sub-Grantees are making major progress and projects are being implemented.
- Some of the agencies are choosing to hold invoices until their overall turf removal program in their service area is complete.
- By holding invoices, a final and comprehensive invoice package that includes an agency’s total turf removal costs can be submitted to SAWPA, which is beneficial for accounting and administration.
Questions
Changes to Metropolitan Water District’s Water Use Efficiency Programs

Ian Achimore
Senior Watershed Manager
Santa Ana Watershed Project Authority
April 26, 2018
MWD Budget Approval

- Adopted biennial budget for FYEs 2019 and 2020
  - Allocated $86M to Water Use Efficiency (WUE) Programs
  - Option to draw $66M from carryover funding for total of $152M
- Adopted new Landscape Transformation Program
Landscape Transformation Program

- Offered as a rebate to residential, commercial and public agencies to install water savings landscapes.
  - Proposed rebate would be $1 per square foot of turf removed.
  - MWD member and retail agencies can add funds to MWD’s $1 per square foot, if desired.
- Will include sustainable landscaping requirements, such as swales, dry river beds, or rain barrels.
New Program to Compliment Drought Grant

- Landscape Transformation Program may compliment the Emergency Drought Grant Program because the rebates offered to customers by the PA 22 / MWD member agencies can be coupled with the Prop 84 grant funds.
- PA 22 decided in August 2017 to amend the Sub-Grantee agreements with EMWD, IEUA and WMWD to increase their allocation of grant funds using the Grant Program’s costs savings, but left a “cushion” of $83k of the cost savings unallocated.
- The $83k could be utilized to compliment this new Program as MWD is requiring agencies to finalize their project within six months after an application is submitted.
MWD’s Member Agency Administered Programs

- MWD also adopted a provision that up to 25% of a member agency’s allocation, which are provided through their Member Agency Administered (MAA) programs, can be available for projects that include:
  - Consumer landscape education workshops,
  - Storm water capture workshops,
  - Consumer landscape design help, and
  - Public agency demonstration gardens.

- May be of interest to the PA 22 Committee and SAWPA plans to discuss with the Committee member’s staff if a regional and multi-agency effort could be funded through this new MAA funding policy.
Questions