



**PROJECT AGREEMENT 22 COMMITTEE**  
Interregional Landscape Water Demand Reduction Program  
**REGULAR MEETING MINUTES**  
March 22, 2018

**COMMITTEE MEMBERS PRESENT**

Doug Headrick, General Manager, San Bernardino Valley Municipal Water District  
Michael Markus, General Manager, Orange County Water District [Vice Chair]  
Craig Miller, General Manager, Western Municipal Water District  
Halla Razak, General Manager, Inland Empire Utilities Agency

**COMMITTEE MEMBERS ABSENT**

Paul D. Jones, General Manager, Eastern Municipal Water District [Chair]

**STAFF PRESENT**

Ian Achimore, Larry McKenney, Mark Norton, Zyanya Blancas

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The meeting was called to order at 8:00 a.m. by Vice Chair Markus at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

**2. PUBLIC COMMENTS**

There were no public comments.

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

**MOVED**, approve the January 25, 2018 meeting minutes.

Result:	<b>Adopted (Unanimously; 4-0)</b>
Motion/Second:	Miller/Razak
Ayes	Headrick, Markus, Miller, Razak
Nays:	None
Abstentions:	None
Absent:	Jones

**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)**

Ian Achimore provided a PowerPoint presentation outlining the proposed Policy Statement No. 5 and an update on the pending amendment to the Proposition 84 Drought Round Grant Agreement (Grant Amendment).

The proposed Policy Statement No. 5 will broaden the definition of "Institutional B" to include highly visible commercial properties to ensure grant funds are utilized by the deadline proposed in the pending Grant Amendment. Golf courses will continue to be excluded. This will require a minor change in the Grant Amendment, which is currently pending with the Department of Water Resources (DWR). The pending Grant Amendment proposes a scope

and schedule change.

SAWPA staff is working with the Municipal Water District of Orange County (MWDOC) and Orange County Water District on expeditiously utilizing the lower watershed's grant allocation of \$880,894 for the High Visibility Turf Removal and Retrofit component. To date, MWDOC has utilized \$99,014, of the allocation. Due to the public perception that the recent drought has ended, public agencies or HOA properties have low interest in obtaining grant funding; MWDOC has launched a new marketing campaign. MWDOC estimated that 16 average size projects from commercial, public agencies or HOA properties would still be needed by December 31, 2018 deadline to utilize all grant funding. Based on previous turf removal project timelines and widening the eligibility requirements, the 16-project goal is attainable.

Committee member Razak asked about whether other regions outside of Orange County have spent their grant allocation and if it was possible to extend the grant agreement for another year in order to utilize all the funds. Achimore stated that the way they determine if allocated funds have been used is by tracking the invoices SAWPA receives. Communications with agencies indicate that half of their allocated funds have been spent and are on track to utilizing all their allocated monies. He also noted that inquiring about an extension to the Grant Agreement is feasible, but highly discouraged due to an increase in administrative costs if approved and possible rejection due to legislative drive to complete this 2006 Water Bond Grant.

Vice Chair Markus asked if unexpended funds may be transferred to other parts of the Emergency Drought Grant Program. Achimore indicated that he is currently strategizing a way to do that in case there are leftover funds and any proposal will be brought to the Committee for approval.

Committee member Miller expressed his concerns regarding the delay of the Grant Amendment approval by DWR and asked if advertising in the lower watershed can begin prior to DWR approval of Grant Amendment. Achimore explained that DWR is aware that the process has taken longer than usual. Most of their staff has been assigned to handle the Oroville spillway incident and SGMA Groundwater Management program, which has delayed their process. He indicated that he sees no major issues in advertising prior to the approval of the Grant Amendment as communications with DWR signal a certain approval.

Speaker from the audience, Joe Berg, Water Efficiency Program Manager at MWDOC, informed the Committee that MWDOC has a list of projects that qualify to receive funding right away, which will be targeted with the intensive marketing campaign.

**MOVED**, approved 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.

Result:	<b>Adopted (Unanimously; 4-0)</b>
Motion/Second:	Headrick/Razak
Ayes	Headrick, Markus, Miller, Razak
Nays:	None
Abstentions:	None
Absent:	Jones

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

Ian Achimore provided a PowerPoint presentation on the conservation-based water rates process for the City of Rialto.

Staff has been working with the City of Rialto since the execution of their Sub-Grantee

agreement to assist them with the process of analyzing conservation-based rates. The City's rate consultant and GIS management consultant have drafted an analysis of their billing data, which has prepared them for moving forward with conservation-based rates. Due to their billing system limitation, the City will not be able to implement conservation-based rates and calculate budgets on a discrete customer basis for approximately three years.

The City 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 aerial imagery, and revenue requirements, the City complies with the conservation-based rates policy statement.

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

Result: **Adopted (Unanimously; 4-0)**  
 Motion/Second: Razak/Headrick  
 Ayes: Jones, Headrick, Markus, Miller, Razak  
 Nays: None  
 Abstentions: None  
 Absent: Jones

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

Ian Achimore provided an oral update of the Emergency Drought Grant Program schedule and budget.

Schedule Completion Dates by Components

<b>Project 1 Conservation-Based Reporting Tools and Rate Structure Implementation</b>	<b>Project 2 High Visibility Turf Removal and Retrofit</b>
<ul style="list-style-type: none"> <li>- Aerial Mapping: (Completed) July 2017</li> <li>- Conservation Based Rates: December 2018 (Previously July 2019 – change due to the City of Tustin's dropout)</li> <li>- Meter Geocoding &amp; Business Classification: December 2018</li> <li>- Web-Based Information Tool: June 2018</li> </ul>	<ul style="list-style-type: none"> <li>- Turf Removal: December 2018</li> </ul>

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

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

\* Due to administrative costs, some agencies have opted to submit their invoices to SAWPA at the end of their program and thus impacting the completion percentage.

Vice Chair Markus requested a cost breakdown using charts of each item under the Projects' components.

Committee member Razak voiced her support of collaboration and communication with the agencies that dropped out of the program to fine-tune the program process and avoid drop

outs. Achimore stated that exit interviews are given to the dropped-out agencies and have provided valuable information that can assist future participating agencies.

A discussion ensued regarding the different obstacles participating Cities must overcome compared to water retail agencies. The Committee agreed that it is more difficult for a City to participate in conservation-based water rates and suggested staff use cities who have already implemented conservation-based water rates as models for cities who are struggling to transfer over.

It was noted that although the Emergency Drought Grant Program is due to end at the end of the calendar year, the PA22 Committee is will continue to address all water use efficiency management measures, which include the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) water use efficiency component.

Vice Chair Markus called for a motion to receive and file Agenda Item No. 4.C. Committee member Miller moved the motion; Committee member Razak seconded the motion.

**MOVED**, receive and file Emergency Drought Grant Program schedule and budget update.

Result:	<b>Adopted (Unanimously; 4-0)</b>
Motion/Second:	Miller/Razak
Ayes	Headrick, Markus, Miller, Razak
Nays:	None
Abstentions:	None
Absent:	Jones

## 5. FUTURE AGENDA ITEMS

There were no proposed future agenda items.

## 6. ADJOURNMENT

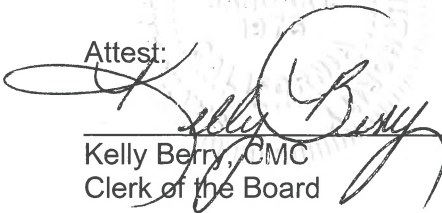
There being no further business for review, Vice Chair Markus adjourned the meeting at 8:48 a.m.

**Approved at a Regular Meeting of the Project Agreement 22 Committee on Thursday, August 23, 2018.**



Michael Markus, Vice Chair

Attest:



Kelly Berry, CMC  
Clerk of the Board