



**PROJECT AGREEMENT 22 COMMITTEE**  
Interregional Landscape Water Demand Reduction Program  
**REGULAR MEETING MINUTES**  
**May 26, 2016**

**COMMITTEE MEMBERS PRESENT**

Joe Grindstaff, General Manager, Inland Empire Utilities Agency  
Doug Headrick, General Manager, San Bernardino Valley Municipal Water District (8:01 a.m.)  
Paul D. Jones, General Manager, Eastern Municipal Water District  
Michael Markus General Manager, Orange County Water District  
John Rossi, General Manager, Western Municipal Water District (8:45 a.m.)  
Larry McKenney, Executive Counsel, Santa Ana Watershed Project Authority – Convener [Non-Voting]

**COMMITTEE MEMBERS ABSENT**

There were no absent Committee Members.

**STAFF PRESENT**

Celeste Cantú, Ian Achimore, Rick Whetsel, Dean Unger, Zyanya Blancas

**1. CALL TO ORDER (Larry McKenney, Convener)**

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

**2. PUBLIC COMMENTS**

There were no public comments.

**3. CONSENT CALENDAR**

**A. APPROVAL OF MEETING MINUTES: April 28, 2016**

**Recommendation:** Approve as posted.

**MOVED,** approve April 28, 2016 meeting minutes as posted.

Result:	<b>Adopted (Unanimously; 3-0-2)</b>
Motion/Second:	Markus/Jones
Ayes	Grindstaff, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	Headrick, Rossi

**4. COMMITTEE DISCUSSION ITEMS**

**A. AERIAL MAPPING PROJECT UPDATE (PA22#2016.10)**

Dean Unger provided a PowerPoint presentation on an update for the Aerial Mapping Project.

Douglas Headrick arrived at 8:01 a.m., during the commencement of the presentation of Agenda Item 4.A.

SAWPA staff has received and delivered imagery and landscape analysis to the City of Tustin and Newport Beach. The flight path imagery of the Watershed, including Rancho Santa Margarita, is now complete. SAWPA is currently in the process of checking the vegetation analysis. Each image analysis data takes about 3-4 days to QC and should be completed by mid-October. Larry McKenney stated that a significant amount of staff time is being used for this effort and it is important to note when and if the project becomes state-wide.

This item was for informational purposes; no action was taken on Agenda Item No. 4.A.

**B. HIGH VISIBILITY TURF REMOVAL AND RETROFIT PROJECT UPDATE (PA22#2016.11)**

Ian Achimore provided a PowerPoint presentation on an update for the High Visibility Turf Removal (the Turf Project). The Turf Project is one of two projects of the Emergency Drought Grant Program. DWR's Grant Agreement provides \$5.2M in grant funding for the Turf Project, which includes the stipulation that \$7,051,533 required local match funding. A benefit amount of 4,950,000 square feet of turf grass must be removed in highly visible, publicly owned areas or HOA areas and replaced with drought tolerant landscaping.

Progress toward turf removal:

Water Agency	Required Square Feet	Sq Ft Removed Replaced	Balance Remaining	% Turf Removed of Required Amount
EMWD	848,468	363,446.00	485,022.00	43%
EMWD*	400,000.00	92,753.00	307,247.00	23%
IEUA	755,615.00	755,615.00	0.00	100%
OCWD/MWDOC	824,228.00	661,194.66	163,033.34	80%
RCWD	500,000.00	392,191.00	107,809.00	78%
SBVMWD	775,204.00	0.00	775,204.00	0%
WMWD	796,485.00	700,479.00	96,006.00	88%
WMWD*	50,000.00	0.00	50,000.00	0%
Total	4,950,000.00	2,965,678.66	1,984,321.34	60%

\* Values for Upper Santa Margarita Watershed Allocation

A detailed description of funding allocation and match between water agencies was provided in the May 26, 2016 PA22 Committee Agenda Packet. The match must be spent before grant funds are transmitted to the project proponents. Participating water agencies are 72% toward completion of meeting the overall match limit.

Joe Grindstaff suggested that when reporting to DWR it would be useful for SAWPA to report all the other projects that resulted from the Program and were not required by the Grant Agreement. Staff will request participating agencies to provide project benefits outside

the scope of the Grant Agreement.

This item was for informational purposes; no action was taken on Agenda Item No. 4.B.

**C. CONSERVATION-BASED WATER RATES PROJECT UPDATE (PA22#2016.12)**

Larry McKenney noted that the City of Santa Ana requested to be added to the Conservation-Based Water Rates Project after the PA22 Committee Agenda had been posted. Therefore, an addendum to Agenda Item 4.C. was provided.

Ian Achimore provided a PowerPoint presentation regarding the Conservation-Based Water Rates Project and contracting with the City of Santa Ana.

Initially, 12 agencies contracted with SAWPA to implement Conservation-Based Water Rates; City of Redlands and West Valley Water District subsequently decided not to proceed in the Program, leaving 10 remaining agencies. The City of Riverside has expressed their interest of approving the budget water rate structure by the end of 2016, but will not implement the rates until the beginning of 2018, which conflicts with the DWR Program schedule. Given this, the City is considering dropping out and may apply for SARCCUP funds. Joe Grindstaff added that the City wants to give its customers plenty of notification.

On May 23, 2016, SAWPA received a Letter of Interest from the City of Santa Ana. As a result, their milestones have been set as follows: study scope of work due to SAWPA by March 31, 2017; and, final draft rate study must be presented to their elected board by October 31, 2017. The City plans to propose the rate structures in February or March 2017 and implement the rates in July 2018. Addition of the City of Santa Ana increases the number of participating agencies to 11.

**MOVED**, approve contracting with the City of Santa Ana for this program using the standard contract.

Result:	<b>Adopted (Unanimously; 4-0-1)</b>
Motion/Second:	Grindstaff/Jones
Ayes	Grindstaff, Headrick, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	Rossi

**D. STATUS REPORT ON PROGRAM BUDGET (PA22#2016.13)**

Ian Achimore provided a PowerPoint presentation update on the budget for the Interregional Landscape Water Demand Reduction Program, also known as the Emergency Drought Grant Program (Program). Under the Grant Agreement, \$12.8M was provided in Proposition 84 grant funding and \$10.6M was accounted as matching funds, for a total Program cost of \$23.5M.

Joe Grindstaff noted that the Governor may recommend legislative changes next year that will be based on Conservation-Based Water Rates allocations for indoor and outdoor standards. This may help agencies considering the Program to move forward since it will be consistent with future law.

John Rossi arrived at 8:45 a.m. during the presentation of Agenda Item 4.D.



As of March 31, 2016, the Program is within budget in all program categories:

- PA22 Committee Implementation
- Implementation Administration
- Contract Administration
- Contracts
- Turf Removal Implementation

Discussion ensued on the Program budget by project. The approved Program budget accounts for FYE 2016 and FYE 2017; the Program is scheduled to be complete on June 30, 2018.

This item was for informational purposes; no action was taken on Agenda Item No. 4.D.

**E. METROPOLITAN WATER DISTRICT CONSERVATION PROGRAM FUNDING IN THE FYE 2017 AND FYE 2018 BIENNIAL BUDGET**

Larry McKenney continued the conversation from the last PA22 Committee meeting in regards to the Metropolitan Water District (MWD) undesignated \$27M for their Conservation Program. Mr. McKenney informed the MWD board about the Aerial Mapping Web-Based Water Consumption Reporting and Customer Engagement Projects. Hopefully they will consider the possibility of extending the project to their service areas. It is unknown when MWD will make a decision on the distribution of their undesignated funds.

Another activity that may be suggested to MWD for funding is the Water-Energy Community Action Network (WECAN). The funds would be used for device retrofitting and turf replacement in disadvantage communities.

Larry McKenney recommended that MWD fund an analysis to compare resolutions and results in budget between satellite and aerial photography; the Committee agreed.

Paul Jones will take lead and coordinate with SAWPA to arrange an opportunity for an introductory presentation to MWD, or simply schedule staff-to-staff meetings.

This item was for informational purposes; no action was taken on Agenda Item No. 4.E.

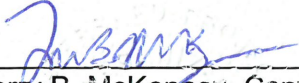
**5. FUTURE AGENDA ITEMS**

There were no proposed future agenda items.

**6. ADJOURNMENT**

There being no further business for review, Convener McKenney adjourned the meeting at 9:10 a.m.

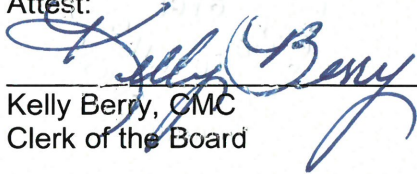
Approved at a Regular Meeting of the Project Agreement 22 Committee on Thursday, July 28, 2016.



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Larry B. McKenney, Convener

Attest:



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Kelly Berry, CMC  
Clerk of the Board