



**PROJECT AGREEMENT 22 COMMITTEE**  
Interregional Landscape Water Demand Reduction Program  
**REGULAR MEETING MINUTES**  
**July 28, 2016**

**COMMITTEE MEMBERS PRESENT**

Joe Grindstaff, 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  
Michael Markus, General Manager, Orange County Water District  
John Rossi, General Manager, Western Municipal Water District  
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, Richard Haller, Mark Norton, Ian Achimore, Mike Antos, 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: May 26, 2016**

**Recommendation:** Approve as posted.

**MOVED,** approve May 26, 2016 meeting minutes as posted.

Result:	<b>Adopted (Unanimously; 5-0)</b>
Motion/Second:	Markus/Grindstaff
Ayes	Grindstaff, Headrick, Jones, Markus, Rossi
Nays:	None
Abstentions:	None
Absent:	None

**4. COMMITTEE DISCUSSION ITEMS**

**A. PHASE I EMERGENCY DROUGHT PROGRAM BUDGET UPDATE (PA22#2016.14)**

Ian Achimore provided a PowerPoint presentation update on the budget for the Emergency Drought Program (Program). The following budget information was presented.

**Project 1 Conservation Based Reporting Tools and Rate Structure Implementation  
 Grant Funding Amount - \$7,587,610**

Program Description	Budget Description	FYE 2015 Actuals	FYE 2016 Budget	FYE 2016 Actuals	FYE 2017 Budget	FYE 2017 Projections
<b>Revenues</b>						
PA 22 Committee Implementation /Implementation Admin. Contract Admin and Contracts	State Grant Proceeds - Prop 84	\$ 196,758	\$ 2,229,502	\$ 1,883,508	\$ 2,243,172	\$ 2,343,694
<b>Total Revenues</b>		<b>\$ 196,758</b>	<b>\$ 2,229,502</b>	<b>\$ 1,883,508</b>	<b>\$ 2,243,172</b>	<b>\$ 2,343,694</b>
<b>Expenses</b>						
PA 22 Committee Implementation	Salaries - Regular		\$ 33,041		\$ 37,555	
	Benefits		\$ 13,830		\$ 16,292	
	G&A Costs		\$ 52,594		\$ 59,288	
	Sum: Salaries/Benefits/G&A	\$ 79,766	\$ 99,465	\$ 99,374	\$ 113,135	\$ 80,000
Implementation Administration, Contract Administration and Contracts	Consulting	\$ 116,992	\$ 2,129,037	\$ 1,784,134	\$ 2,129,037	\$ 2,263,694
	Construction	\$ -	\$ -		\$ -	
	Offsite Meeting/Travel Expense	\$ -	\$ 500		\$ 500	
	Program Expenses	\$ -	\$ 500		\$ 500	
<b>Total Expenditures</b>		<b>\$ 196,758</b>	<b>\$ 2,130,037</b>	<b>\$ 1,883,508</b>	<b>\$ 2,243,172</b>	<b>\$ 2,343,694</b>

**Project 2 High visibility Turf Removal and Retrofit  
 Grant Funding Amount - \$5,272,500**

Program Description	Revised Budget Allocation	FYE 2015 Actuals	FYE 2016 Budget	FYE 2016 Actuals	FYE 2017 Budget
<b>Revenues</b>					
State Grant Proceeds - Prop 84	\$ 5,272,500	\$ -	\$ 1,622,500	\$ 1,227,909	\$ 1,622,500
<b>Total Revenues</b>	<b>\$ 5,272,500</b>	<b>\$ -</b>	<b>\$ 1,622,500</b>	<b>\$ 1,227,909</b>	<b>\$ 1,622,500</b>
<b>Expenses</b>					
EMWD	\$ 906,800	\$ -	\$ 273,000	\$ -	\$ 273,000
EMWD - USMW	\$ 420,000	\$ -	\$ 166,250	\$ -	\$ 166,250
IEUA	\$ 807,564	\$ -	\$ 244,000	\$ 807,564	\$ 244,000
OCWD	\$ 880,894	\$ -	\$ 266,000	\$ -	\$ 266,000
SBVMWD	\$ 828,499	\$ -	\$ 250,000	\$ -	\$ 250,000
WMWD	\$ 851,243	\$ -	\$ 257,000	\$ 420,345	\$ 257,000
WMWD - USMW	\$ 52,500	\$ -	\$ 166,250	\$ -	\$ 166,250
RCWD - USMW	\$ 525,000	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 5,272,500</b>	<b>\$ -</b>	<b>\$ 1,622,500</b>	<b>\$ 1,227,909</b>	<b>\$ 1,622,500</b>

It was noted that the Program is a multi-watershed effort covering the Santa Ana River Watershed and the Upper Santa Margarita Watershed, which are in two different Integrated Regional Water Management funding areas.

At the end of FYE 2015-16, the Program was within budget in all categories. Participating agencies are submitting invoices to SAWPA monthly; SAWPA then submits to DWR at the end of every month. Only Project 2 requires agencies to meet their funding match allocation in order to receive their grant funds.

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

**B. FUNDING FOR PHASE II – SARCCUP WATER USE EFFICIENCY UNDER PA22 COMMITTEE (PA22#2016.15)**

Mark Norton provided a PowerPoint presentation update on the estimated funding associated with the Water Use Efficiency Project, referred to as Phase II, under SARCCUP; Phase II will be administered by the PA22 Committee.

The following projected budget for Phase II was presented:

	FYE 2019	FYE 2020	FYE 2021	Total
<b>Total</b>	\$ 22,926	\$ 24,302	\$ 25,760	\$ 72,988

Under Phase II there are two Subtasks: Conservation-Based Water Rates and Smartscape. The current Conservation-Based Water Rates efforts are being funded by the Emergency Drought Grant Program, Phase I, which will end at the end of FYE 2018. To continue the said efforts, SARCCUP will fund after FYE 2018. The Conservation-Based Water Rates will then become a Subtask under SARCCUP and therefore be funded up until 2021.

The following five-year budget projection for the Subtask Conservation Based Water Rates was presented:

	FYE 2017*	FYE 2018*	FYE 2019	FYE 2020	FYE 2021	Total
<b>Total</b>	\$ 38,694	\$ 39,093	\$ 38,049	\$ 27,967	\$ 33,454	\$ 177,257

\* Funded by Phase I

Subtask Smartscape is anticipated to be a three-year program.

	FYE 2017	FYE 2018	FYE 2019	Total
<b>Total</b>	\$ 25,136	\$ 14,160	\$15,010	\$ 54,306

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

**C. SARCCUP WATER USE EFFICIENCY PROGRAM: SMARTSCAPE SUBTASK (PA22#2016.16)**

Mark Norton provided a PowerPoint presentation on the revised recommended approach to implementing Phase II, Smartscape subtask. The Smartscape subtask was developed as a partnership between Orange County Coastkeepers/Inland Empire Waterkeeper with the SAWPA member agencies during the development of SARCCUP. The program will support entities that have transitioned from turf grass to drought tolerant landscaping by providing Project proponents education and outreach, training and communication services about drought tolerant design, installation and maintenance. A total of \$54,306 was budgeted for the Smartscape subtask.

Funds not utilized at the end of the Smartscape subtask term will be used for other grant activities. Committee member Paul Jones inquired about the possibility of receiving a reimbursement of the additional match share after tasks and benefits have met the requirements; SAWPA staff will research and report back to the Committee.

OCWD Board of Directors opted not to use Smartscape in their area. In order to respond to the obligation of providing local match for this activity, SAWPA staff suggested a reduction of local funding for Smartscape, move OCWD's 1/5 share of \$48,600 over to the Conservation-Based Water Rates effort, and reduce scope of work for Smartscape to include only the upper Santa Ana River Watershed. This will maintain total local share funding for the Water Use Efficiency Project. It would also provide additional funding for retail agencies for Conservation-Based Water Rates.

**MOVED**, approve staff's recommended approach to implementing the Smartscape program.

Result: **Adopted (Unanimously; 5-0)**  
Motion/Second: Grindstaff/Markus  
Ayes Grindstaff, Headrick, Jones, Markus, Rossi  
Nays: None  
Abstentions: None  
Absent: None

**D. AERIAL MAPPING PROJECT CHANGE ORDER NO. 3 TO TASK ORDER RESO504-301-01 FOR MANAGEMENT AND IMAGE SUPPORT SERVICES (PA22#2016.17)**

Dean Unger provided a PowerPoint presentation on staff's recommendation to approve Change Order No. 3 with Resource Strategies, Inc. (RSI) to provide management and image support services for the Emergency Drought Grant Program.

When the aerial imagery was collected, flight paths were long, narrow and diagonal. This caused compression charge areas to be larger than a typical square or rectangular interest area and RSI experienced 140 percent higher compression cartridge costs than expected. In addition, Change Order No. 3 will cover eight additional agencies who have requested aerial image data and the addition of five future agencies.

**MOVED**, approve Change Order No. 3 to Task Order RESO504-301-01 with Resource Strategies, Inc., in an amount not to exceed \$37,920 to provide management and image support services for the Emergency Drought Grant Program.

Result: **Adopted (Unanimously; 5-0)**  
Motion/Second: Headrick/Jones  
Ayes Grindstaff, Headrick, Jones, Markus, Rossi  
Nays: None  
Abstentions: None  
Absent: None

**E. AERIAL MAPPING PROJECT VEGETATION CLASSIFICATION UPDATE (PA#2016.18)**

Dean Unger provided a PowerPoint presentation update on the Aerial Mapping Project Vegetation Classification. Out of the 20 agencies that have signed up to receive the vegetation data, three have been delivered, eight are being reviewed by SAWPA staff, and nine are being processed by consultant Statistical Research, Inc. Approximately nine additional agencies are expected to be added.

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

**F. WEB-BASED WATER CONSUMPTION REPORT AND CUSTOMER ENGAGEMENT TOOL IMPLEMENTATION STATUS**

Mark Norton provided a PowerPoint presentation updating the Committee on the Web-Based Water Consumption Report and Customer Engagement Tool Implementation Status (Project).

The Project delivers personalized water consumption reports to retail water agency customers showing comparisons of household water use to a number of indicators. It also customizes messages and recommendations for taking water conservation actions. This effort focuses on the top 25% of water users. There are currently eight agencies under contract and six agencies pending. The Project is scheduled to be complete by end of 2017.

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

**G. CONSERVATION-BASED WATER RATES PROJECT UPDATE (PA22#2016.19)**

Ian Achimore provided a PowerPoint presentation regarding the Conservation-Based Water Rates Project (Project). The Project contract with DWR expires at the end of calendar year 2017. Ten agencies have executed contracts. Most agencies are planning to adopt rates by mid-2017. The City of Riverside has officially submitted their request to cancel their contract. Tom Ash, Senior Environmental Resource Planner at Inland Empire Utilities Agency, and Ian Achimore have been meeting with agencies and assisting in every possible way to prevent additional dropouts from the Project. Committee members stated that they would like to be informed of upcoming adoption goals from participating agencies.

Committee members praised the Project and thanked SAWPA staff and Tom Ash.

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

**5. FUTURE AGENDA ITEMS**

- Selection of Chair and Vice Chair for PA22

**6. ADJOURNMENT**

There being no further business for review, Convener McKenney adjourned the meeting at 8:58 a.m.

**Approved at a Special Meeting of the Project Agreement 22 Committee on Thursday, August 25, 2016.**

  
\_\_\_\_\_  
Larry B. McKenney, Convener

Attest:

  
\_\_\_\_\_  
Kelly Berry, CMC  
Clerk of the Board