



PROJECT AGREEMENT 22 COMMITTEE
Interregional Landscape Water Demand Reduction Program
REGULAR MEETING MINUTES
October 26, 2017

COMMITTEE MEMBERS PRESENT

Joseph P. Grindstaff, 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

Doug Headrick, General Manager, San Bernardino Valley Municipal Water District
John Rossi, General Manager, Western Municipal Water District

STAFF PRESENT

Dean Unger, Ian Achimore, Larry McKenney, Richard Haller, Rick Whetsel, Zyanya Blancas

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order at 8:01 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. APPROVAL OF MEETING MINUTES: August 24, 2017

MOVED, approve the August 24, 2017 meeting minutes.

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

4. COMMITTEE DISCUSSION ITEMS

A. PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT DROUGHT GRANT AMENDMENT UPDATE (PA22#2017.17)

Ian Achimore noted that SAWPA is awaiting DWR's approval of the Proposition 84 Integrated Regional Water Management Drought Grant Amendment. The delay is caused by DWR's current work load. Staff will continue to follow up with DWR in order to obtain an approved amendment in a timely manner.

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

B. CONSERVATION-BASED WATER RATES PROJECT UPDATE (PA22#2017.18)

Ian Achimore provided a PowerPoint presentation with an update on the Conservation-Based Water Rates Project. The retail water agencies that have contracted with SAWPA to study and possibly adopt conservation-based water rates are in different stages of the rate setting process.

Since the last updates, the City of Garden Grove and Cucamonga Valley Water District's governing boards decided not to move forward with a conservation-based water rate structure. Cities of Chino and Chino Hills have completed their rate studies and are now working on their public outreach campaigns. City of Hemet will adopt the new rate structure in February 2018. Staff continues to meet with agencies to ensure they have the tools needed to prepare their governing boards for a rate evaluation. The allocation of surplus funds from agencies that have dropped out will be discussed at a future PA22 Committee meeting.

The lessons learned throughout the process are as follows:

- The amount of State grant funding has not significantly impacted governing board support whether to proceed with conservation based water rates.
- High amount of GIS staff time devoted to "scrubbing" the retail agencies customer demand data once it is available from a retailer's billing system;
- Outdoor water budgets based on a certain percentage of parcel lots may be more appealing from a data management perspective;
- It's helpful for a governing board to adopt policy objectives for their rates prior to the rate change decision;
- After process of creating water budgets, retailers have useful information for demand forecasting and water conservation.

Achimore stated that the City of San Jacinto is planning to propose a rate structure where there is no difference in the price of tier 1 and tier 2 water because the City is projecting a need for just one source of supply. The rate structure would still comply with the PA22 Committee's policy definition of conservation-based rates as the City's tier 3 water price is escalating. Chair Jones voiced his agreement.

As discussed at the April 27 PA22 Committee meeting, staff explored the use of the California Data Collaborative's Rate Comparison Tool as a potential eligibility gate for the Santa Ana River Conservation and Conjunctive Use Program's (SARCCUP) conservation-based rates component. It was the consensus of the Advisory Workgroup that an eligibility gate, which would be in addition to DWR's grant standard requirements, would dampen interest from potential retail water agencies; therefore, staff will recommend retailers to use the tool instead of making it a requirement.

The seven Frequently Asked Questions (FAQ) documents have been released. There is a remaining balance of approximately \$6,500 in the CV Strategies contract, SAWPA is working with the six remaining retail agencies to see if they would benefit from an educational video that compliments Proposition 218 rate notifications.

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

C. RETAIL WATER AGENCY METER GEOCODING AND BUSINESS TYPE CLASSIFICATION PROGRAM (PA22#2017.19)

Rick Whetsel provided a brief oral update on the Retail Water Agency Meter Geocoding and Business Type Classification Program. Miller Spatial, Inc. (consultant) will support agencies in the Santa Ana River Watershed, as well as the Eastern Municipal Water District and Western Municipal Water District service areas within the Upper Santa Margarita Watersheds. The support services to be performed by the consultant are as follows:

- Water Meter Account to Water Meter Service Area Matching Services
- Business Account Type Classification Services based upon North American Industry Classification System (NAICS) Data
- Identification of Mixed Use Commercial, Industrial and Institutional (CII) Accounts
- Project Reporting following Prop 84 Reporting Formats and Requirements

Program is estimated to be completed by June 30, 2018.

Whetsel highlighted the October 25, 2017 workshop held by SAWPA, which focused on tools to support retail agencies across the Santa Ana River Watershed. An electronic questionnaire survey form was sent to participating agencies. The results will allow SAWPA staff and the consultant to determine the agency's needs. The deadline for program participation is COB Wednesday, November 22, 2017.

This item was for information purposes only; no action was taken on Agenda Item No. 4.C.

D. WEB-BASED WATER CONSUMPTION REPORTING AND CUSTOMER ENGAGEMENT PROJECT (PA22#2017.20)

Rick Whetsel provided an oral status update on Web-Based Water Consumption Reporting and Customer Engagement Project (Project). Whetsel stated that half of retail agencies that signed agreements to participate in the Project have not launched the Dropcountr customer outreach component of the Project. This is due to agencies not having dedicated staff to operate the tools and a mismatch of the agency's billing cycles to the tools. SAWPA staff and Dropcountr are working to get these items fixed.

Committee member Grindstaff said that part of the issue is the technological transition and stated that as technology improves this Project will be more important and useful to customers. Chair Jones suggested a thorough debriefing with Dropcountr and their customers at a future PA22 Committee meeting. Whetsel stated that at this time OmniEarth and Dropcountr are working on their benefit reports and lessons learned report.

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

E. ON-LINE WEB APPLICATION AND CLOUD SERVICE (PA22#2017.21)

Dean Unger provided an oral report on the On-line Web Application and Cloud Services. It was recently discovered that the standard ESRI agreement and subscription agreement did not meet some of the Proposition 84 IRWM Grant Agreement requirements. SAWPA's legal counsel and ESRI's legal counsel will meet on Friday, October 26, 2017 to resolve agreement differences. An update on the outcome of this meeting will be provided at a future PA22 Committee meeting.

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

5. FUTURE AGENDA ITEMS

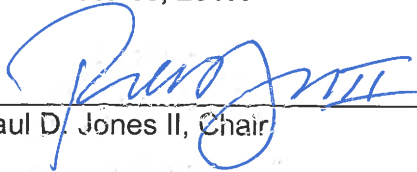
- Vice Chair Markus requested SAWPA staff provide an overview presentation of the status of the different components of Proposition 84 Program and the percentage of funds each has used.

6. ADJOURNMENT

Committee member Grindstaff announced that Halla Razak will officially be the new Inland Empire Utilities Agency's General Manager on December 4, 2017.

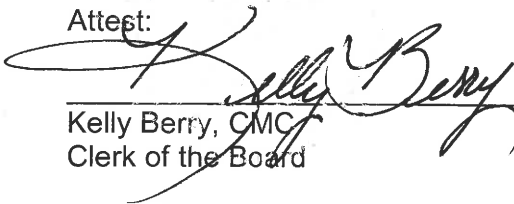
There being no further business for review, Chair Jones adjourned the meeting at 8:48 a.m.

**Approved at a Regular Meeting of the Project Agreement 22 Committee on Thursday,
November 16, 2017.**



Paul D. Jones II, Chair

Attest:



Kelly Berry, CMC
Clerk of the Board