



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

NOTICE OF REGULAR MEETING OF THE PROJECT AGREEMENT 22 COMMITTEE

Interregional Landscape Water Demand Reduction Program

Committee Members:

- Halla Razak, 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, Chair
- Michael Markus, General Manager, Orange County Water District, Vice Chair
- Craig Miller, General Manager, Western Municipal Water District

THURSDAY, JUNE 28, 2018 – 8:00 A.M.

AGENDA

1. **CALL TO ORDER** (Paul D. Jones, Chair)

2. **PUBLIC COMMENTS**

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. **CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Committee by one motion as listed below.

A. **MEETING SUMMARY: APRIL 26, 2018**3
Recommendation: Receive and file.

B. **APPROVAL OF MEETING MINUTES: MARCH 22, 2018**7
Recommendation: Approve as posted.

C. **ALLOCATION OF GRANT SAVINGS TO REMAINING RETAIL AGENCIES PARTICIPATING IN THE CONSERVATION-BASED WATER RATES PROJECT (PA22#2018.12)**13

Presenter: Ian Achimore

Recommendation: Approve the:

- 1) Distribution of the Conservation-Based Water Rates Project’s cost savings to the three remaining participating cities: Chino, Chino Hills and Hemet; and,
- 2) Preparation and execution of amendments to the three cities’ Sub-Grantee agreements.

4. **COMMITTEE DISCUSSION ITEMS**

A. **EMERGENCY DROUGHT GRANT PROGRAM SCHEDULE AND BUDGET UPDATE (PA22#2018.13)**15

Presenter: Ian Achimore

Recommendation: Receive and file.

- B. [ESRI WEB-BASED AERIAL IMAGERY TOOL – DROUGHT GRANT DELIVERABLE \(PA22#2018.14\)](#).....19
Presenter: Rick Whetsel
Recommendation: Receive and file.
- C. [RETAIL WATER AGENCY METER GEOCODING AND BUSINESS TYPE CLASSIFICATION PROGRAM UPDATE \(PA22#2018.15\)](#)21
Presenter: Rick Whetsel
Recommendation: Receive and file.
- D. [UPCOMING WATER USE EFFICIENCY PROGRAMS FOR SAWPA MEMBER AGENCIES AND MWDOC \(PA22#2018.16\)](#).....23
Presenter: Ian Achimore
Recommendation: Receive and file.
- E. [LEGISLATIVE APPROVAL OF EXECUTIVE ORDER B-37-16: MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE \(PA22#2018.17\)](#).....25
Presenter: Ian Achimore
Recommendation: Receive and file.

5. FUTURE AGENDA ITEMS

6. ADJOURNMENT

PLEASE NOTE:

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or kberry@sawpa.org. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, June 21, 2018, a copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at the SAWPA office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2018 Project Agreement 22 Committee Regular Meetings

Fourth Thursday of Every Month

(Note: All meetings begin at 8:00 a.m., unless otherwise noticed, and are held at SAWPA.)

January 1/25/18 Regular Committee Meeting	February 2/22/18 Regular Committee Meeting [cancelled]
March 3/22/18 Regular Committee Meeting	April 4/26/18 Regular Committee Meeting
May 5/24/18 Regular Committee Meeting [cancelled]	June 6/28/18 Regular Committee Meeting
July 7/26/18 Regular Committee Meeting	August 8/23/18 Regular Committee Meeting
September 9/27/18 Regular Committee Meeting	October 10/25/18 Regular Committee Meeting
November 11/15/18* Regular Committee Meeting*	December 12/27/18 Regular Committee Meeting

* Meeting date adjusted due to conflicting holiday.



PROJECT AGREEMENT 22 COMMITTEE
Interregional Landscape Water Demand Reduction Program
MEETING SUMMARY
APRIL 26, 2018

COMMITTEE MEMBERS PRESENT

Halla Razak, General Manager, Inland Empire Utilities Agency
Paul D. Jones, General Manager, Eastern Municipal Water District [Chair]

COMMITTEE MEMBERS ABSENT

Craig Miller, General Manager, Western Municipal Water District
Doug Headrick, General Manager, San Bernardino Valley Municipal Water District
Michael Markus, General Manager, Orange County Water District [Vice Chair]

STAFF PRESENT

Dean Unger, Ian Achimore, Larry McKenney, Mark Norton, Tim Barr, Zyanya Blancas

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The PA22 Committee meeting was called to order at 8:11 a.m. by Chair Jones at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California; however, a quorum was not present. Accordingly, the record will reflect that no actions were taken by the Committee. Those present did receive informational reports as outlined.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MEETING MINUTES: MARCH 22, 2018

Due to lack of a quorum, Agenda Item No. 3 will be brought before the Committee for consideration at a future meeting.

4. COMMITTEE DISCUSSION ITEMS

A. ALLOCATION OF GRANT SAVINGS TO REMAINING RETAIL AGENCIES PARTICIPATING IN THE CONSERVATION-BASED WATER RATES PROJECTS (PA22#2018.8)

Ian Achimore provided a PowerPoint presentation regarding the allocation of grant savings to the remaining agencies participating in the Conservation-Based Water Rates Project and requested input on the distribution of funds and the preparation and execution of amendments for the Cities of Chino, Chino Hills and Hemet's sub-grantee agreements.

Grant savings from the five agencies that ended their participation totaled up to \$711,000. SAWPA staff recommends the saved funds be used to further incentivize the rate structure adoption by the remaining cities by allocating each \$237,000. The amount would also increase sub-grantee agreements to \$450,000 per agency. If the allocation is not used it can be allocated amongst the others.

Achimore reported that the Cities of Chino and Chino Hills are moving forward with rates at

an accelerated pace and the City of Hemet has projected to cover their rate conversion costs within the new sub-grantee agreement in the amount of \$450,000.

A notice to proceed with a Proposition 218 election is scheduled to be heard by the City of Chino Hills on May 8, 2018. It is urgent that staff move forward with the allocation of saved grant funds. This will allow the City sufficient time to send out notice to parcel owners and rate payers of the proposed water rate increase.

Chair Jones concurs that this topic had been discussed in detail at previous Committee meetings and suggested staff move forward with the allocation of funds and the preparations and execution of amendments with the City of Chino, Chino Hills, and Hemet, and bring this item be brought back to the Committee for ratification.

B. RETAIL WATER AGENCY METER GEOCODING AND BUSINESS TYPE CLASSIFICATION PROGRAM (PA22#2018.9)

Rick Whetsel provided a status update PowerPoint presentation on Retail Water Agency Meter and North American Industry Classification System (NAICS) Geocoding Program.

Program objectives are as follows:

- Provide comprehensive water meter geocoding (account matching) services.
- Classify commercial, industrial and institutional (CII) accounts using NAICS coding.
- Identify 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.

The program is expected to be completed by October 31, 2018; data will be available to any agency after project is complete. A status update chart of the 19 interested agencies was presented to the Committee.

C. EMERGENCY DROUGHT GRANT PROGRAM SCHEDULE AND BUDGET UPDATE (PA22#2018.10)

Ian Achimore provided a PowerPoint presentation on the Emergency Drought Grant Program schedule and budget.

As discussed at a previous PA22 Committee meeting, although invoices have not been received, the sub-grantees are making major progress on the High Visibility Turf Removal and Retrofit Project component. 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 costs.

D. CHANGES TO METROPOLITAN WATER DISTRICT'S WATER USE EFFICIENCY PROGRAMS (PA22#2018.11)

Ian Achimore provided a PowerPoint presentation regarding the approved Metropolitan Water District (MWD) biennial budget for fiscal years 2018-2020 and the allocation of \$86M to its Water Use Efficiency Programs.

MWD also adopted a new Landscape Transformation Program that would be offered as a rebate to residential, commercial and public agencies to install water savings landscapes. Achimore stated that the unallocated \$83,000 in cost savings from the Emergency Drought Grant Program could be utilized to compliment the Landscape Transformation Program. The Committee representatives present requested that the eligibility terms to participate be emailed to them.

Chair Jones asked staff to contact interested agencies to examine their proposals and present findings at the next Committee meeting to develop a plan to also submit a proposal to MWD.

Larry McKenney noted that MWD also adopted a provision that up to 25 percent of a Member Agency Administered program allocation can be available for projects with difficult to quantify benefits, such as consumer landscape education workshops, storm water capture workshops, consumer landscape design help, and public agency demonstration gardens. These types of projects may be of interest to the Committee and stated that staff will contact the Committee members' staff to determine if a regional and multi-agency effort could be funded through this funding policy.

5. FUTURE AGENDA ITEMS

There were no requests for future agenda items other than those listed earlier under Agenda Items 4.A. and 4.D.

6. ADJOURNMENT

At no time during the meeting was there a quorum. There being no informational reports presented, the meeting came to close at 8:48 a.m.

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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:	Adopted (Unanimously; 4-0)
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 "InstitutionalB" 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:	Adopted (Unanimously; 4-0)
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

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

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

	Grant	Required Funding Match	Total
In Grant Agreement	\$ 12,860,110	\$ 7,051,533	\$ 19,911,643
Invoiced (\$)	\$6,118,805	\$ 5,943,834	\$12,062,639
Invoiced (%)	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: **Adopted (Unanimously; 4-0)**
 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,
April 26, 2018.**

Paul D. Jones II, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

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PA 22 COMMITTEE MEMORANDUM NO. 2018.12

DATE: June 28, 2018
TO: SAWPA Project Agreement 22 Committee
SUBJECT: Allocation of Grant Savings to Remaining Retail Agencies Participating in the Conservation-Based Water Rates Project
PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Approve the:

- 1) Distribution of the Conservation-Based Water Rates Project’s cost savings to the three remaining participating cities: Chino, Chino Hills and Hemet; and
- 2) Preparation and execution of amendments to the three cities’ Sub-Grantee agreements.

DISCUSSION

Through the Emergency Drought Grant Program, SAWPA has implemented the Conservation-Based Water Rates project component (project) by entering into Sub-Grantee agreements with various retail water agencies in the watershed. The Sub-Grantee agreements allow SAWPA to reimburse each participating retail agency up to \$215,030 using funds provided by the Department of Water Resources (DWR) Proposition 84 Drought Grant. The agreements use a two-phased approach to incent agencies to adopt conservation-based rates. A retail agency has access to 50% of its \$215,030 contracted amount (\$107,515) before its elected governing board makes a decision on whether to adopt the rate structure, with the remaining 50% made available to them if the rate structure is approved.

SAWPA has executed Sub-Grantee agreements with the following agencies:

Sub-Grantee	Conservation-Based Rates Status
Chino	Study finalized; rate hearing on June 19, 2018.
Chino Hills	Study finalized; rate hearing on May 8, 2018.
Cucamonga Valley Water District	Rate study finalized; Board decided not to utilize rates on September 20, 2017.
East Valley Water District	Rate study finalized; Adopted rates on June 2015.
Garden Grove	Rate study finalized; Council decided not to utilize rates on August 22, 2017.
Hemet	Ongoing study; rate adoption scheduled for Fall 2018.
Rialto	Rate analysis finalized April 2018; moving forward with rates after deadline of Grant Agreement.
San Jacinto	Rate study finalized; Council decided to not utilize rates on December 5, 2017.
Tustin	Rate study draft finalized; moving forward with rate setting process after deadline of Grant Agreement.

As discussed at past PA 22 Committee meetings and shown in the above table, several retail water agencies have ended participation with the project due to issues with out-of-date billing systems that cannot calculate water-use budgets at the customer level, results from their recent rate studies that analyzed the implementation of conservation-based rates, decisions by their councils/boards and feedback from management.

The remaining agencies who are participating in the project include the cities of Chino, Chino Hills and Hemet. The unused funding previously held for the various agencies that have ended their participation in the project, which totals to approximately \$711,000, can be utilized for the remaining three cities. This funding, which would be allocated between the agencies (at approximately \$237,000 per city), could be used as a further incentive to ensure these three cities adopt conservation based rates. This change would increase each cities Sub-Agreement total funding amount from \$215,030 to approximately \$450,000. The two-phased approach would still be used in order to ensure an effective incentive to adopt conservation based rates, with \$107,515 available before the cities' governing boards adopt the rate structure, and approximately \$345,000 available after the decision is made.

At this time as Chino Hills and Chino are moving forward with rates at an accelerated pace. Hemet has projected that it can cover its projected rate conversion costs within the Sub-Grantee agreement amount of \$450,000. If any of the cities have actual, eligible conversion costs of less than \$450,000 the unused grant funds would be allocated amongst the others that have additional eligible costs.

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for staff to manage the Conservation-Based Water Rates component will come from the Proposition 84 IRWM Drought Grant as shown in the Committee's FYE 2018 budget.

PA 22 COMMITTEE MEMORANDUM NO. 2018.13

DATE: June 28, 2018
TO: SAWPA Project Agreement 22 Committee
SUBJECT: Emergency Drought Grant Program Schedule and Budget Update
PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Receive and file.

DISCUSSION

The following information provides an overview of the scheduled completion dates of each of the Emergency Drought Grant Program's components, and the status of Program's spending in comparison to the overall budget in the Proposition 84 Grant Agreement. There are two sub-projects included in the Program:

- Project 1: Conservation Based Reporting Tools and Rate Structure Implementation.
- Project 2: High Visibility Turf Removal and Retrofit.

Project 1 includes the project components: 1) Aerial Mapping, 2) Conservation Based Rates, 3) Meter Geocoding & Business Type Classification, 4) Web-Based Information Tool, 5) Cloud Services and Dashboard for Aerial Mapping Data. Project 2 just includes the turf removal and retrofit component.

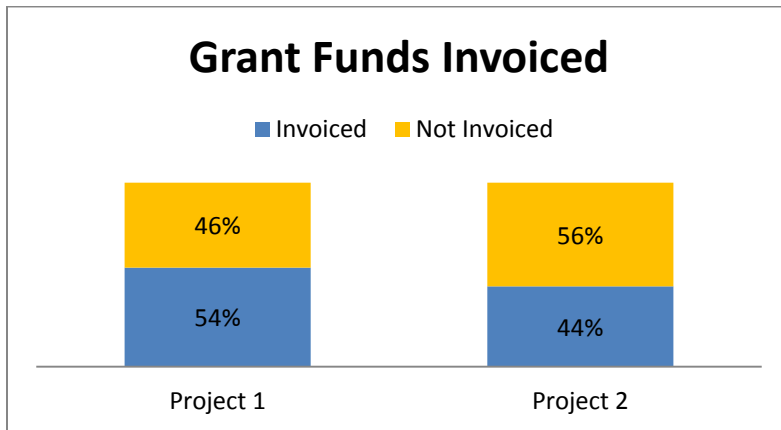
It is important to note the following items when reviewing this memorandum's charts:

- The dates and funding amounts provided for project completion recognize that the DWR Grant Agreement amendment was approved on June 7, 2018 and extended the schedule for implementation of both Projects from June 30, 2018 to June 30, 2019.
- 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 memo reflects the latest invoices that have been submitted to SAWPA by April 30, 2018.

PROGRAM STATUS

	Grant	Required Funding Match	Total
In Grant Agreement	\$ 12,860,110	\$ 7,051,533	\$ 19,911,643
Invoiced (\$)	\$6,344,247	\$ 5,943,834	\$12,288,081
Invoiced (%)	49%	84%	62%

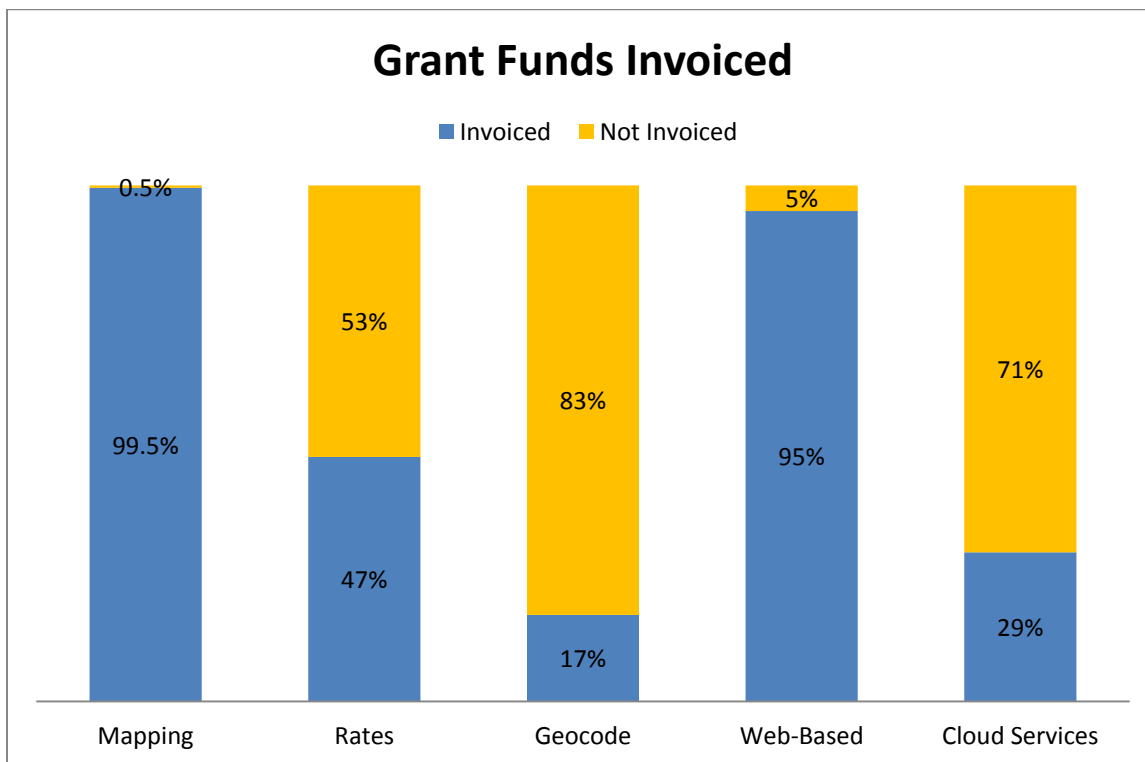
INDIVIDUAL PROJECT STATUS



Scheduled dates of completion:

- Project 1: December 2018
- Project 2: March 2019

PROJECT 1 STATUS BY INDIVIDUAL COMPONENTS

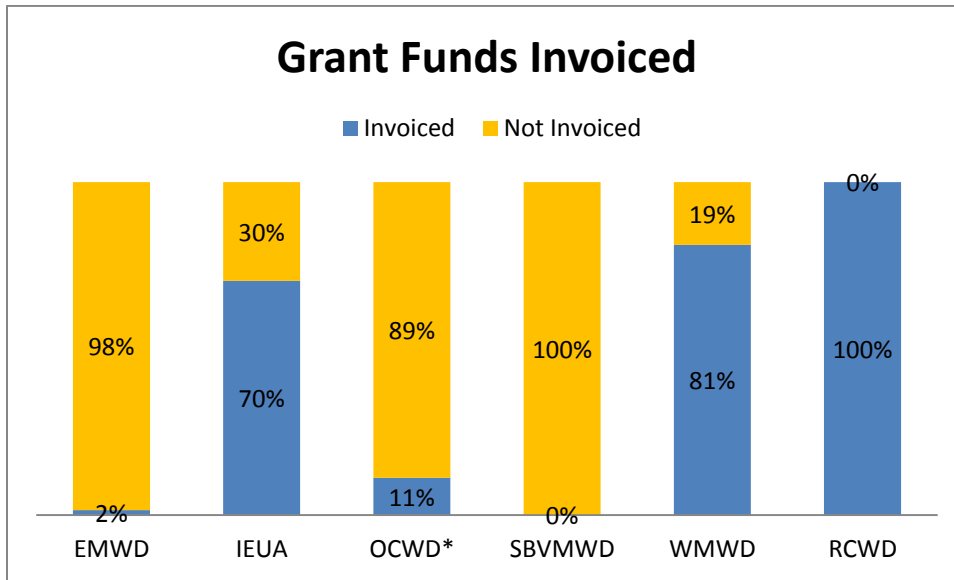


Scheduled dates of completion:

- Aerial Mapping: (Completed) July 2017
- Conservation Based Rates: December 2018
- Meter Geocoding and Business Type Classification: December 2018
- Web-Based Information Tool: June 2018

- Cloud Services and Dashboard for Aerial Mapping Data: August 2018

PROJECT 2 STATUSES BY INDIVIDUAL SUB-GRANTEES



* SAWPA has a Sub-Grantee agreement with OCWD; OCWD has an agreement with MWDOC that passes down the conditions from their Sub-Grantee agreement to MWDOC.

As discussed in previous PA 22 Committee meetings, although invoices have not been received, the Sub-Grantees are making major progress on the High Visibility Turf Removal and Retrofit Project component. 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.

Scheduled date of completion:

- Turf Removal: March 2019

CRITICAL SUCCESS FACTORS

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for this Project Agreement 22 update will come from the Proposition 84 IRWM Drought Grant as shown in the Committee's FYE 2018 budgets.

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PA 22 COMMITTEE MEMORANDUM NO. 2018.14

DATE: June 28, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: SAWPA Aerial Imagery and Landscape Measurement Data - ESRI
On-line Web Application and Cloud Services

PREPARED BY: Rick Whetsel, Senior Watershed Manager

RECOMMENDATION

Receive and file this status report on the ESRI GIS web based application and cloud services to provide agency staff access to SAWPA aerial imagery and landscape measurement data.

DISCUSSION

Esri has completed work on a draft of the GIS web based application to provide water agency staff access to the SAWPA high resolution aerial imagery and landscape vegetation measurement data funded through Proposition 84.

Upon completion and approval of the final GIS web based application by the PA 22 Committee, SAWPA will host a workshop for retail water agencies to introduce them to the capabilities of the application to assist them in complying with new State water use efficiency requirements.

BACKGROUND

June 22, 2017, the Project Agreement (PA) 22 Committee authorized a Task Order with ESRI to develop an on-line web application and managed cloud services to provide water agency staff access to our high resolution aerial imagery and landscape vegetation measurement data.

Cloud services hosted by ESRI will enable SAWPA to deliver up to fourteen terabytes of raster imagery in a scalable cloud computing environment made available both directly to current ESRI clients and through a custom ArcGIS Online application.

Contracting with ESRI, SAWPA is utilizing our existing relationship and leveraging the existing ESRI license agreements of our member agencies in order to achieve a significantly (approximately 50%) lower cost for hosting and serving this dataset. Additionally, through the cloud services hosted by ESRI, SAWPA and its member agencies will also enjoy the benefit of access to this immense data set without tying up their agency's own computer data storage/networking services.

The on-line web application developed by ESRI using a number of predefined tools will enable water retail agency staff to access SAWPA's aerial imagery and the results of our landscape analysis performed under the Prop 84 Emergency Drought Grant Program. Making these data available through an on-line web application eliminates the need and associated costs to store this large data for all agencies and for those lacking GIS capabilities provides a platform to use

the data. Additionally, this will provide the foundation for which future data may be added and shared, both among agency staff and between agencies.

The on-line web application will include many of the capabilities of the original data, allowing the user to view the background imagery in three modes: Natural Color, False Color Infrared and Normalized Difference Vegetation Index (NVDI). Additionally, the user will have access to the results of SAWPA's work to analyze the watershed's landscape using aerial imagery and remote sensing analysis. The results of the landscape analysis will be able to be viewed at both the parcel level, as well as the agency level, which will include a summary of the landscape statistics by land use type.

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

No impact.

PA 22 COMMITTEE MEMORANDUM NO. 2018.15

DATE: June 28, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Retail Water Agency Meter Geocoding and Business Type Classification Program

PREPARED BY: Rick Whetsel, Senior Watershed Manager

RECOMMENDATION

Receive and file this status report on the Miller Spatial Retail Water Agency Meter Geocoding and Business Type Classification Program.

DISCUSSION

Miller Spatial is fully engaged in implementing the Retail Water Agency Meter Geocoding and Business Type Classification Program. Miller Spatial has signed memorandums of understanding and is working with 18 retail agencies. In addition to the work for the individual retail agencies, Miller Spatial is also working to complete NAICS business type coding for all commercial businesses located in the watershed (excluding home businesses).

Upon completion of this work, Miller Spatial will use remaining contract funds to implement a second round of Meter Geocoding and Business Type Classification for up to ten additional individual retail water agencies.

BACKGROUND

On August 24, 2017, the Project Agreement (PA) 22 Committee authorized a Task Order with Miller Spatial Services, LLC for an amount not-to-exceed \$300,000 to implement the Retail Water Agency Meter Geocoding and Business Type Classification Program for agencies in the Santa Ana River Watershed, as well as the EMWD and WMWD service areas within the Upper Santa Margarita Watersheds.

The support services to be performed by the consultant, Miller Spatial Inc. are highlighted below:

- 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

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

No impact.

PA 22 COMMITTEE MEMORANDUM NO. 2018.16

DATE: June 28, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Upcoming Water Use Efficiency Programs for SAWPA Member Agencies and MWDOC

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Receive and file.

DISCUSSION

In light of the recent approval of the biennial budget and the new Landscape Transformation Program, a turf removal rebate program, by the board of the Metropolitan Water District (MWD), the PA 22 Committee requested an update on the planned water conservation activities of the SAWPA member agencies and the Municipal Water District of Orange County (MWDOC). In the past, many of the MWD member agencies in this watershed added an additional financial incentive onto MWD's rebates and utilized MWD's Member Agency Administered (MAA) allocation. MWD's board approved the launch of the new turf removal rebate program for July 2018 as well as a new policy for the MAA allocation where 25% of an agency's allocation can be used for water efficiency programs that provide value to the region, but the corresponding water savings are difficult to determine.

The following summaries listed by PA 22 agency provide an overview of the major planned water use efficiency initiatives in the watershed.

Eastern Municipal Water District (EMWD): EMWD is considering adding an additional incentive on top of MWD's rebates for turf removal by public agency customers such as school districts. To provide further assistance to public agencies, they have developed a request for proposals (RFP) to acquire the services of a landscape architect to create designs and plans for public agencies.

Inland Empire Utilities Agency (IEUA): IEUA is getting feedback from its retail water agencies on their preference for spending IEUA's MAA allocation. IEUA plans to take advantage of MWD's new 25% policy and use it for landscape design services in order to assist customers in converting their landscapes to be drought tolerant. IEUA is choosing to have MWD lead the administration of the new turf removal rebate program in the IEUA service area, in lieu of administering it themselves, and is planning to add an additional \$1 per square foot on top of MWD's rebate.

Municipal Water District of Orange County (MWDOC): MWDOC is considering having MWD administer the new turf rebate program in lieu of administering it themselves. They will likely add up to \$1 per square foot in addition to the MWD rebate incentive. They are exploring the possibility of using the MAA allocation for design assistance and developed a RFP to acquire the assistance of a contractor to implement the program. They are exploring the use of the MAA allocation for a pressure reducing valve direct install program. MWDOC is also in the process of soliciting recommended water use efficiency program proposals from its retail water agencies.

San Bernardino Valley Municipal Water District (SBVMWD): As a separate State Water Contractor, SBVMWD has an existing \$1 per square foot turf removal rebate program that is available to its customers. Participation in the program has slowed as there is a perception that the drought is over due to the above average precipitation in 2017. SBVMWD has launched the SARCCUP Smartscape Program within their service area, which is funded by the final round of Proposition 84 Integrated Regional Water Management Grant, and is gauging the level of renewed interest in water use efficiency programs that Smartscape offers.

Western Municipal Water District (WMWD): In its retail service area, WMWD is planning to add an additional \$1 per square foot of turf removed up to a rebate cap of \$150,000 per project. They are also developing an added incentive where a project can receive an additional \$1 per square foot if the project incorporates a native plant design. It is likely that several of the retail water agencies in WMWD's wholesale service area will also mirror WMWD's approach and add their own funding on top of MWD's rebate. WMWD and its retailers will administer their additional rebate funding by providing MWD with the additional funding so one check from MWD is provided to each rebate customer. WMWD is currently analyzing options for the new MAA allocation policy and is contemplating rebates for water efficient sprinklers and urinals. WMWD is also considering design assistance as an option.

BACKGROUND

On April 10, 2018, MWD adopted their biennial budget for fiscal years 2018/19 and 2019/20 which allocated \$86 million to its water use efficiency activities. MWD also developed a new Landscape Transformation Program that would be offered as a rebate to residential, commercial and public agencies to install water savings landscapes. The proposed rebate would be \$1 per square foot of turf removed. Member and retail agencies can add funds to MWD's \$1 per square foot, if desired.

CRITICAL SUCCESS FACTORS

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Funding for this Project Agreement 22 update will come from the Proposition 84 IRWM Drought Grant as shown in the Committee's FYE 2018 budgets.

PA 22 COMMITTEE MEMORANDUM NO. 2018.17

DATE: June 28, 2018

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Legislative Approval of Executive Order B-37-16: Making Water Conservation a California Way of Life

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Receive and file.

DISCUSSION

Staff has analyzed the two bills SB 606 (Hertzberg) and AB 1668 (Friedman), which codify Governor Edmund Brown's Executive Order B-37-16 into law. The legislation marks a major shift in water efficiency and monitoring, and the experience and lessons learned from the Emergency Drought Grant Program could assist the watershed's water agencies with future compliance efforts.

The pertinent sections of the legislation for the PA 22 Committee include the chapters on urban water efficiency. The State Water Resources Control Board and Department of Water Resources will be working together, with stakeholder input, to develop water use efficiency standards. As stated in the State Water Board's legislation summary, the bills do the following:

- Call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. The State Water Board will adopt these standards by regulation no later than June 30, 2022, after full and robust public and stakeholder processes.
- Each urban retail water agency will annually, beginning November 2023, calculate its own objective, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss, along with consideration of other unique local uses (i.e., variances) and "bonus incentive," or credit, for potable water reuse, using the standards adopted by the Board.

SAWPA's Emergency Drought Grant Program has funded 3-inch aerial imagery, an analysis of the imagery to quantify the amount of irrigated and irrigable landscape areas, as well as the ESRI Web-Based Aerial Imagery Tool which allows agencies to view and run reports on the quantities of landscape areas in their service areas. Although the Department of Water Resources (DWR) will provide its own landscape measurement dataset that covers the entire State, a recent DWR-led webinar described that the data would not be at a high enough resolution to allow for analysis at the customer level. DWR will likely allow agencies to provide their own alternative data sources and there are portions of the legislation that call for the use of alternatives if the data is shown to be as accurate, but the issue is still in development as DWR is finalizing their process for releasing their landscape measurements. Staff is working with the SAWPA member agencies and MWDOC on the potential for partnering on the acquisition of

updated imagery and continuing the contract of the existing ESRI tool. Options for funding this initiative include increasing the PA 22 Committee budget during the next SAWPA biennial budget process or requesting funding through Metropolitan Water District's Member Agency (MAA) Administered allocation process. In recent years Metropolitan Water District (MWD) has solicited water use efficiency program proposals from its member agencies through its MAA process and in MWD's latest biennial budget the board adopted a new policy where 25% of an agency's MAA allocation can be used for programs that provide value to the region, but the corresponding water savings are difficult to determine.

BACKGROUND

The Project Agreement 22 includes the following covenant: "Project Committee 22 is hereby established for the purpose of developing and implementing demand reduction and water use efficiency measures in order both to effect an urgent response to the current drought and to transform the water use efficiency of the Santa Ana River watershed in the future."

On May 31, 2018, Governor Brown signed SB 606 and AB 1668 into law. A major push for the bills came from the Governor's May 9, 2016 Executive Order which was a way to permanently require water efficiency outside of emergency drought declarations. In 2015, the Governor called for a 25% reduction based on previous usage. Rather than measuring water use as a percentage reduction from a chosen baseline, the bills recognize past investments by urban water agencies and take into account the unique climatic, demographic and land-use characteristics of each urban water agency's service area. Similar to a budget-based rates structure, the bills achieve water use efficiency by creating budgets, or water allowances, by recognizing landscape size and evapotranspiration rates. Unlike budget-based rates, they do not set a water allowance at the customer level. Instead, the bills require a rolled-up water budget for the entire service area of a water agency.

CRITICAL SUCCESS FACTORS

1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

Possible funding sources for this initiative could come from the remaining Proposition 84 IRWM Drought Grant funding, future PA 22 budgets or MWD's MAA allocation process. .

Attachments:

- State Water Board Water Efficiency Legislation Factsheet

Water Efficiency Legislation will Make California More Resilient to Impacts of Future Droughts

On May 31, 2018, [Governor Brown signed two bills](#) which build on the ongoing efforts to “make water conservation a California way of life.” SB 606 (Hertzberg) and AB 1668 (Friedman) reflect the dedicated work of many water suppliers, environmental organizations, and members of the Legislature.

SB 606 and AB 1668 emphasize *efficiency and stretching existing water supplies* in our cities and on farms. Efficient water use is the most cost-effective way to achieve long term conservation goals, as well provide the water supply reliability needed to adapt to the longer and more intense droughts climate change is causing in California.

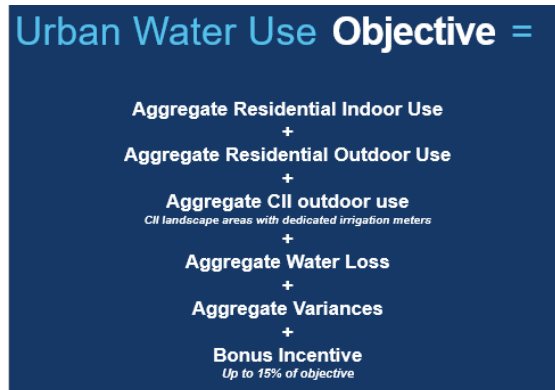
Some have misinterpreted the immediate impact of this law. It **does not** impose individual mandates for homeowners or businesses. The mandates will fall on urban water suppliers – not customers.

What Are the Specific Requirements for Urban and Agricultural Water Suppliers?

- Specifically, the bills call for creation of new urban efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. The State Water Board will adopt these standards by regulation no later than June 30, 2022, after full and robust public and stakeholder processes.
- Each urban retail water agency will annually, beginning November 2023, calculate its own **objective**, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system



water loss, along with consideration of other unique local uses (i.e., variances) and “bonus incentive,” or credit, for potable water reuse, using the standards adopted by the Board.



Urban Water Use Objective =

- Aggregate Residential Indoor Use
- +
- Aggregate Residential Outdoor Use
- +
- Aggregate CII outdoor use
CII landscape areas with dedicated irrigation meters
- +
- Aggregate Water Loss
- +
- Aggregate Variances
- +
- Bonus Incentive
Up to 15% of objective

- Urban water agencies must meet their water use objective. Those that don’t may be subject to enforcement by the Board. Starting in 2023, the State Water Board may issue informational orders to urban water suppliers that do not meet their water use objective, and may issue conservation orders beginning in 2025.
- The indoor water use standard will be 55 gallons per capita daily (GPCD) until January 2025; the standard will become stronger over time, decreasing to 50 GPCD in January 2030.
- The outdoor water use standard will be based on land cover, climate, and other factors determined by the Department of Water Resources and the State Water Resources Control Board. The State Water Resources Control Board will adopt the outdoor standard by June 2022.
- The water leaks standard will be set by the State Water Resources Control Board pursuant to prior legislation (SB 555, 2015) by July 2020.
- In addition, the Department of Water Resources and the State Water Resources Control Board will work collaboratively to define performance measures for Commercial, Institutional, and Industrial (CII) water use by October 2021. The State Water Board will adopt the CII performance measures by June 2022.
- To enhance drought planning and preparedness, urban water agencies also will be required to update urban water management plans that specify reliability of water supply, define the agency's strategy for meeting its water needs, including conducting annual “stress tests” of supply versus demand to ensure water service continuity assuming the five worst or driest years in the supplier’s historical record.
- Agricultural water users will be required to expand existing agricultural water management plans to include an annual water budget that specifies water supply

versus use, and creates water efficiency objectives to improve both delivery and historical water loss.

- In addition, agricultural water users must provide specifics on how they will stretch their water supplies during long term, or multi-year droughts while meeting water allocation needs to grow crops and support livestock.

Background:

Governor Brown's April 2017 [Executive Order](#) lifted his [January 2014](#) drought declaration for most of the state and replaced it with a long-term plan to better prepare the state for future droughts. The order included [establishing a framework](#) for efficient water use that reflects the state's diverse climate, landscape and population growth.

In April 2017, five state agencies (State Water Board, Department of Water Resources, Energy Commission, Public Utilities Commission, Department of Food and Agriculture) published a framework document that was used to formulate the water conservation legislation.

For more information, please visit our [webpage](#) on water conservation and efficiency statutes on the [State Water Resources Conservation Portal](#).

(This fact sheet was last updated June 7, 2018)