



**PROJECT AGREEMENT 22 COMMITTEE**  
Interregional Landscape Water Demand Reduction Program  
**REGULAR MEETING MINUTES**  
**February 25, 2016**

**COMMITTEE MEMBERS PRESENT**

Joe Grindstaff, General Manager, Inland Empire Utilities Agency  
Doug Headrick, General Manager, San Bernardino Valley Municipal Water District  
Michael Markus General Manager, Orange County Water District  
Mallory Gandara, Western Municipal Water District [Non-voting]  
Nick Kanetis, Deputy General Manager, Eastern Municipal Water District [Non-voting]  
Larry McKenney, Executive Counsel, Santa Ana Watershed Project Authority – Convener [Non-Voting]

**COMMITTEE MEMBERS ABSENT**

John Rossi, General Manager, Western Municipal Water District  
Paul Jones, General Manager, Eastern Municipal Water District

**STAFF PRESENT**

Celeste Cantú, Mark Norton, Ian Achimore, Dean Unger, Rick Whetsel, Mike Antos, Kelly Berry,  
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. APPROVAL OF MEETING MINUTES: DECEMBER 17, 2015**

**Recommendation:** Approve as posted.

**MOVED,** approve December 17, 2015 meeting minutes as posted.

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

#### 4. COMMITTEE DISCUSSION ITEMS

##### A. CONSERVATION BASED RATES PROJECT POLICY STATEMENT NO. 2 (PA22#2016.2)

Larry McKenney noted the Committee previously adopted Policy Statement No. 2, which describes conservation based rates as a rate structure with, "...a customer-specific allocation that follows an increasing block rate structure that includes at least three blocks, with one or more blocks accounting for high or exceeding water use, based on State efficiency standards or more stringent efficiency standards."

Staff's interpretation is the Committee's intent in adopting this language was to encourage individualized water budgets in providing customer-specific allocations, allowing an agency to determine excessive water use. It is expected that grant fund reimbursement related to conservation based water rates would be inclusive of a rate structure comprising parcel-based water budgets with indoor budgets based on per-capita water use and outdoor water budgets based on irrigated area and ET rates.

**MOVED**, approve staff's interpretation of Policy Statement No 2.

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

##### B. PA22 COMMITTEE BUDGET AMENDMENT (PA22#2016.1)

Mark Norton provided a PowerPoint presentation on the proposed budget amendment. Given the significant cost savings realized in the Aerial Mapping Project, due mainly to lower contract prices than originally estimated, only \$730,244 of the \$2.6 million initially budgeted amount has been obligated, leaving \$1,869,755. Staff does not anticipate that \$1.8 million will be needed to complete the Aerial Mapping Project. Staff's recommendation is to amend the PA22 Committee budget to reallocate \$860,120 from the Aerial Mapping Project to the Conservation Based Rates Project, which would support four agencies (in addition to the ten agencies currently under executed agreements) participating in the Conservation Based Rates Project. Agreements would be executed with the two agencies previously approved by the Committee, the City of Garden Grove and Cucamonga Valley Water District, and agreements with the remaining two would be brought before the Committee for authorization at a future meeting.

Concern was raised about keeping \$1,009,635 budgeted to a project where it is not needed. Mark Norton noted that while this action leaves \$1,009,635 remaining in the Aerial Mapping Project budget, the Committee can consider reallocation of those remaining funds at a future meeting.



**MOVED**, approve amending the PA22 Committee Budget to move \$860,120 from the Aerial Mapping Project to the Conservation Based Rates Project.

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

**C. TURF REMOVAL PROJECT POLICY STATEMENT NO. 1 (PA22#2016.3)**

Ian Achimore provided a PowerPoint presentation on the proposed clarification to Policy Statement No. 1. The Committee previously determined that churches qualify as "institutional" under Policy Statement No. 1. Staff recommended that non-profit organizations also qualify as "institutional," subject to the same requirement that the site is a highly visible property.

**MOVED**, clarify that Policy Statement No. 1 and the SAWPA Member Agency Contracts are intended to include institutions in the definition of eligible recipients for turf removal rebates, and institutions shall include highly visible properties of non-profit organizations.

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

**D. UPDATE ON AMENDMENT TO SAWPA GRANT AGREEMENT WITH THE STATE (PA22#2016.4)**

Ian Achimore provided a PowerPoint presentation on Amendment No. 1 to the SAWPA Grant Agreement. DWR approached SAWPA staff with its desire to amend the SAWPA Grant Agreement to include names of agencies who will be receiving grant funds under the Conservation Based Rates Project. In order to prevent any potential delay in reimbursements, SAWPA staff, working with the conservation coordinators, drafted a proposed amendment, which also included other minor amendments of interest to SAWPA and the member agencies, and submitted the amendment to DWR for review. Following is a list of proposed changes submitted to DWR:

- Contracted agencies and interested agencies are listed
- Extended the Schedule, providing more flexibility (within allowable DWR timeframe)
- Elimination of a website to market turf removal programs
- Clarify definition of "institutional" for turf removal to include non-profit organizations

It was the consensus of the Committee to increase the number of agencies from 10 to 20. If agreement is reached with DWR, Amendment No. 1 will come back before the Committee for approval.

**MOVED**, receive and file this update on Amendment No. 1 to the SAWPA Grant Agreement.

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

**E. TASK ORDER FOR WATERSHED-WIDE IMAGE ANALYSIS AND OUTDOOR AREA MEASUREMENT (PA22#2016.5)**

Dean Unger provided a PowerPoint presentation regarding proposed Task Order SRI 504-301-02 with Statistical Research Inc. (SRI). An earlier Task Order had been approved for SRI to perform a focused yet expedited analysis of portions of the watershed wherein agencies had already begun the process of working toward conservation based rates. It was inclusive of 9 retail agencies but did not incorporate slope measurements. This additional Task Order complements the earlier in order to complete the originally proposed analysis of (substantially) the entire watershed. Six measurements (turf, trees, shrubs, pools, and other irrigated and non-irrigated vegetation) will be itemized by Meter Service Areas. Anticipated product availability is June for participating agencies and August for the entire watershed.

A discussion ensued regarding allocation of the remaining budgeted amount of \$1,009,635. Mike Markus suggested reaching out to other cities and agencies with information about the availability of funding and aerial mapping data, and recommended providing a PowerPoint presentation with talking points to member agencies. Larry McKenney suggested discussion at a future conservation coordinators meeting.

Doug Headrick inquired as to the shelf life of the aerial mapping data; Dean Unger advised industry standard is 3 years. It was the consensus of the Committee that consideration should be given to updating the data in 2017, within the timeframe of the DWR grant.

**MOVED**, approve Task Order SRI504-301-02 with Statistical Research Inc., Consultant, for \$162,204.

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

**5. FUTURE AGENDA ITEMS**

Designation of voting alternates was discussed. Larry McKenney noted SAWPA's Joint Powers Agreement is the governing document, not the PA 22 agreement, and that this topic is on the agenda for discussion at the March 8 GM Meeting.

SAWPA is in discussions with the State for the grant agreement relating to the SARCCUP project, and the administration of the turf removal portion will be brought back for discussion at a future meeting.

MWD is engaged in its budget process; the amount of turf removal matching funds or the fact that it may not be included in MWD's budget will be brought back for discussion at a future meeting.

**6. ADJOURNMENT**

There being no further business for review, Convener McKenney adjourned the meeting at 8:50 a.m.

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

  
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Larry B. McKenney, Convener

Attest:

  
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Kelly Berry, CMC  
Clerk of the Board