NOTICE OF REGULAR MEETING OF THE PROJECT AGREEMENT 22 COMMITTEE
Interregional Landscape Water Demand Reduction Program

Committee Members:
Shivaji Deshmukh, General Manager, Inland Empire Utilities Agency
Heather Dyer, 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

TUESDAY, MARCH 10, 2020 – 8:30 A.M.

AGENDA

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE (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. APPROVAL OF MEETING MINUTES: JANUARY 23, 2020 ................................................................. 3

4. COMMITTEE DISCUSSION/ACTION ITEMS
   A. ADOPTION OF SUB-AGREEMENT AMENDMENTS | CHINO HILLS AND RANCHO CALIFORNIA WATER DISTRICT (PA22#2020.5) .......................................................... 9
       Presenter: Ian Achimore
       Recommendation: To ensure the Drought Grant’s program savings for the Conservation Based Reporting Tools and Rate Structure Project are utilized, authorize the General Manager to execute the following documents:

       1. Amendment No. 2 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with the City of Chino Hills for an amount not to exceed $1,184,000 in grant funding, reflecting an increase of $40,000 from $1,144,005 to $1,184,000; and,

       2. Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with Rancho California Water District for an amount not to exceed $25,745 in grant funding, which ensures the grant funding obligation of $1,103,110 to the USMW is met.
B. **ADOPTION OF SUB-AGREEMENT AMENDMENT | INLAND EMPIRE UTILITIES AGENCY (PA22#2020.6)**

**Presenter:** Ian Achimore

**Recommendation:** Authorize the General Manager to execute Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with the Inland Empire Utilities Agency (IEUA) for an amount not to exceed $117,865 in grant funding for the Turf Removal and Retrofit Project increasing the grant funding to IEUA from $6,306,569 to $6,424,434.

C. **SMARTSCAPE UPDATE (PA22#2020.7)**

**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 March 3, 2020, 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

---

**2020 Project Agreement 22 Committee Regular Meetings**

[Revised January 23, 2020]

Second Tuesday of Every Month

(Note: All meetings begin at 8:30 a.m., unless otherwise noticed, and are held at SAWPA.)

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/23/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>March</td>
<td>April</td>
</tr>
<tr>
<td>3/10/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>May</td>
<td>June</td>
</tr>
<tr>
<td>5/12/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>July</td>
<td>August</td>
</tr>
<tr>
<td>7/14/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>September</td>
<td>October</td>
</tr>
<tr>
<td>9/8/20</td>
<td>Regular Committee Meeting</td>
</tr>
<tr>
<td>November</td>
<td>December</td>
</tr>
<tr>
<td>11/10/20</td>
<td>Regular Committee Meeting</td>
</tr>
</tbody>
</table>
1. CALL TO ORDER
The PA22 Committee 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: JUNE 27, 2019 AND NOVEMBER 21, 2019
Chair Jones stated he was not present at the June 27, 2019 and November 21, 2019 meetings and would accordingly abstain from voting.

MOVED, approve the June 27, 2019 and November 21, 2019 meeting minutes.

Result: Adopted (Passed)
Motion/Second: Markus/Millar
Ayes: Markus, Deshmukh, Dyer, Miller
Nays: None
Abstentions: Jones
Absent: None

4. COMMITTEE DISCUSSION ITEMS
A. ADOPTION OF BUREAU OF RECLAMATION AGREEMENT (PA22#2020.1)
Ian Achimore provided the PowerPoint presentation contained in the agenda packet on pages 13-24. A revised Scope of Work for Agenda Item No. 4.A. Handout was provided to the Committee and the public; revised handout replaces pages 31-33 of the original agenda packet.
On March 28, 2019, the Committee approved SAWPA staff to submit a proposal to the Bureau of Reclamation (Reclamation) WaterSMART Water Management Options Pilot Program. The Program would award in-kind Reclamation staff time and resources to implement a water supply focused project. SAWPA was successful in receiving the full amount of in-kind resources requested for its Watershed-Wide Water Budget Decision Support Tool Project (Project). SAWPA will take lead in acquiring aerial imagery while the Reclamation will lead the analysis and quality control of the acquired imagery. To establish the terms, a Memorandum of Agreement between the Reclamation and SAWPA (MOA) will need to be executed.

The Project will create water budgets based on efficiency at the customer and retail water agency scale; budgets will be shared with retail water agencies through a web-based tool. This will assist retail water agencies in complying with 2018 water conservation legislation requirements; Assembly Bill 1668 and Senate Bill 606.

The estimated total cost of the project is $1,465,000. This was determined by a similar project developed during the Proposition 84 Integrated Regional Water Management Drought Grant - SAWPA’s Web-Based Information Tool.

Based on expected cost of the Project, the cost share is estimated to be $367,500. On November 1, 2019, SAWPA submitted the Project for $500,000 in Proposition 1 Round 1 Integrated Regional Water Management Grant funding (Prop 1). A draft funding award announcement is expected winter of 2020 by the Department of Water Resources.

SAWPA will utilize the Reclamation staff time and resources, cost shares, and Prop 1 grant funds to fully fund the Project. The Project is scheduled to be completed in the third quarter of the year 2022.

Committee member Markus asked if the aerial imagery replaces the images collected from the Web-Based Information Tool and if the resolution will be the same. Mr. Achimore stated staff will be acquiring new data sets and is currently working on determining the resolution. The aerial imagery resolution is dependent on the preference of the other agencies working with the Reclamation.

Chair Jones noted that several water retail agencies have allocation-based rates structures and have detailed imagery where others don’t. He asked what is SAWPA’s approach to recognizing each agencies scope. Achimore stated SAWPA continues to work with the member agency staff to ensure continuity with each agency and their subagencies set up.

Committee member Dyer encouraged staff to coordinate efforts in order to plan a longer-term solution to the need of updating imagery. She recommended that flights be a reoccurring activity where the whole Santa Ana River Watershed would benefit from for various projects.

Chair Jones noted that based on the projected budget, the estimated total cost share of $367,500 is contingent to SAWPA receiving funds from Prop 1. He asked if by approving the motion, is the Committee pledging to covering the $500,000 from Prop 1 if SAWPA is not awarded the funds. Legal Counsel Turner stated that in Section II.3. Financial Obligations of the MOA, it states that it is not a funding document and does not authorize the obligation or transfer of funds. Chair Jones then requested that staff provide a more defined cost share at a future PA22 Committee meeting.

It was clarified that the Reclamation will not commence work until after they receive the aerial imagery from SAWPA. Achimore stated that he’ll be meeting with the agencies in the upcoming months to set aerial imagery specifications.
MOVED, Authorize the General Manager to execute the Memorandum of Agreement by and between the Department of Interior, Bureau of Reclamation (BOR) and the Santa Ana Watershed Project Authority (SAWPA) for the Santa Ana River Watershed-Wide Water Budget Decision Support Tool.

Result: Adopted (Passed)
Motion/Second: Deshmukh/Dyer
Ayes Jones, Markus, Deshmukh, Dyer, Miller
Nays: None
Abstentions: None
Absent: None

B. STATE AERIAL IMAGERY FOR RETAIL WIDE WATER BUDGET – STATUS (PA22#2020.2)

Ian Achimore provided the PowerPoint presentation contained in the agenda packet on pages 37-44. He gave a status report on the Department of Water Resources (DWR) and State Water Board efforts to comply with Assembly Bill 1668 and Senate Bill 606 (legislation) through their Aerial Imagery for Retail Wide Water Budget Project (Project).

DWR continues to work on their Project. They have contracted with Eagle Aerial and Quantum in order to produce a state-wide dataset of irrigable area measurements for each water agency by January 1, 2021. DWR convened a workgroup of water agencies and environmental representatives to provide feedback on the imagery process.

The State Water Board, in collaboration with DWR, is also working on a rulemaking to adopt standards that will help set the budgets for each of the following categories:

a. Indoor residential.
b. Outdoor residential.
c. Outdoor dedicated irrigation meters.
d. Efficient water losses (pipe leaks).
e. Approved variances (water use by horse corrals).

The State Water Board will begin formal rulemaking in 2021. State Water Board staff and their consultant team will communicate results and allow members of the public to explore conservation scenarios through a tool.

Committee member Deshmukh questioned the reliability of the aerial imagery collected by DWR. Achimore noted that DWR is currently using two firms for its aerial imagery; Eagle Aerial collects the imagery and Quantum preforms the QA/QC. The majority of DWR’s cost is being allocated to the QA/QC process.

Chair Jones encouraged continued participation in the development of the Project. He stated that there are concerns that the rulemaking process is an attempt by the State Water Board to tighten up the standards.

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

C. CONSERVATION-BASED WATER RATES UPDATE (PA22#2020.4)

Ian Achimore provided the PowerPoint presentation contained in the agenda packet on pages 47-53.

Through the Proposition 84 Integrated Regional Water Management Drought Grant (Prop 84 Grant), SAWPA implemented the Conservation-Based Water Rates Program (Program) by
entering into sub-grantee agreements with nine retail water agencies within the Santa Ana River Watershed. The sub-grantee agreements allow SAWPA to reimburse the retail agencies using funds provided by the Prop 84 Grant. Currently, there are two agencies remaining in the Program:

- City of Chino – Implemented rates on December 1, 2019
- City of Chino Hills – Implemented rates on October 1, 2018

Recently, the City of Hemet decided to not move forward with the Program as they are not bringing their final rate study to their council within the Department of Water Resources grant timeline. SAWPA staff awaits invoices from the remaining agencies to finalize the Program.

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

D. SMARTSCAPE UPDATE (PA22#2020.3)

Ian Achimore provided the PowerPoint presentation contained in the agenda packet on pages 57-63. Smartscape is a Program (Smartscape Program) developed by the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), which was funded by the Proposition 84 Integrated Regional Water Management Drought Grant (Prop 84 Grant).

The Smartscape Program was designed to continue the various turf removal rebates that were offered by the Prop 84 Grant and train water agency customers to maintain their drought-tolerant landscape. The awarded funds were allocated to four of the five participating agencies.

As of December 31, 2019, the Program is currently 79% implemented. Eastern Municipal Water District and the Inland Empire Utilities Agency have completed their portion. SAWPA continues to work with San Bernardino Valley Municipal Water District and Western Municipal Water District to complete their projects. SAWPA staff set an internal deadline to complete work by March 2020.

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

E. RECONSIDER PROJECT AGREEMENT 22 COMMITTEE REGULAR MEETING SCHEDULE

Karen Williams indicated the need to reconsider the Committee meeting schedule to the second Tuesday of every month following the SAWPA General Managers meeting. The Committee agreed that the recommended meeting schedule was feasible. SAWPA Staff clarified that the PA22 Committee meetings are set on a monthly reoccurrence.

MOVED, effective March 2020, regular meetings of the Project Agreement (PA) 22 Committee will be held at 8:30 a.m. on the second Tuesday of every month, at 11615 Sterling Avenue, Riverside, California; and, the February 27, 2020 regular meeting is cancelled.

Result: Adopted (Passed)
Motion/Second: Miller/Markus
Ayes: Jones, Markus, Deshmukh, Dyer, Miller
Nays: None
Abstentions: None
Absent: None
5. **FUTURE AGENDA ITEMS**

- Chair Jones invited the Committee and present staff to attend the Southern California Affordability Symposium scheduled for Friday, February 7, 2020 at the University of California, Riverside (UCR). He requested a future agenda item to discuss what was presented and the findings from a study done by Eastern Municipal Water District in collaboration with UCR, exploring water affordability issues at a retail level. He encouraged the Committee to think of ways to expand water affordability policies through the PA22 Committee.

6. **ADJOURNMENT**

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

Approved at a Regular Meeting of the Project Agreement 22 Committee on Tuesday, March 10, 2020.

________________________________
Paul D. Jones, Chair

Attest:

________________________________
Kelly Berry, CMC
Clerk of the Board
PA 22 COMMITTEE MEMORANDUM NO. 2020.5

DATE: March 10, 2020

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Adoption of Sub-Agreement Amendments | Chino Hills and Rancho California Water District

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

To ensure the Drought Grant’s program savings for the Conservation Based Reporting Tools and Rate Structure Project are utilized, authorize the General Manager to execute the following documents:

1. Amendment No. 2 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with the City of Chino Hills for an amount not to exceed $1,184,000 in grant funding, reflecting an increase of $40,000 from $1,144,005 to $1,184,000; and,

2. Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with Rancho California Water District for an amount not to exceed $25,745 in grant funding, which ensures the grant funding obligation of $1,103,110 to the USMW is met.

DISCUSSION

The Proposition 84 Integrated Regional Water Management (IRWM) Drought Grant executed between SAWPA and the Department of Water Resources (DWR) in 2015 includes two projects:

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

As of January 31, 2020, there is $160,945 in addition implementation grant funding that needs to be spent in Project 1. SAWPA proposes to allocate it as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Future Invoice Amount</th>
<th>Information on Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino (Water Rates)</td>
<td>$40,000</td>
<td>Amount is within their existing contract approved by the PA 22 Committee</td>
</tr>
<tr>
<td>Chino Hills (Water Rates)</td>
<td>$91,700</td>
<td>Funding that would have gone to Chino but is not needed for Chino Rate implementation.</td>
</tr>
</tbody>
</table>
Rancho California Water District (IRWM Project Management) | $25,745 | Funding designated to the Upper Santa Margarita Watershed. Previously budgeted for the Aerial Imagery Project but not needed due to cost savings.

ESRI (Aerial Imagery Dashboard) | $3,500 | Anticipated final invoice from ESRI.

**Total** | **$160,945**

**Rancho California Water District Sub-Agreement Amendment**

As shown in Table A there is $25,745 grant funding available for the Upper Santa Margarita Watershed in Project 1. As background for the Committee, the Drought Grant is a partnership between two IRWM funding areas, the Santa Ana River Watershed and the San Diego areas. As included in the Proposition 84 legislation, IRWM grant funding was pre-designated into 11 funding areas across the State.

At the time of the grant application to the Department of Water Resources (DWR) in 2014, SAWPA and Rancho California Water District (RCWD) partnered on the Drought Grant. RCWD is the lead for the Upper Santa Margarita Watershed (like SAWPA for the Santa Ana River Watershed), which is a subsection of the San Diego funding area. When SAWPA executed the Drought Grant agreement with DWR in 2015, that allocation by funding area was designated as shown in Table B:

<table>
<thead>
<tr>
<th>Item</th>
<th>Grant Amount SARW</th>
<th>Grant Amount USMW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>$6,330,066</td>
<td>$105,610</td>
</tr>
<tr>
<td>Project 2</td>
<td>$5,426,934</td>
<td>$997,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,757,000</strong></td>
<td><strong>$1,103,110</strong></td>
</tr>
</tbody>
</table>

Now that implementation of the Drought Grant is ending, SAWPA has $25,745 in cost savings that were not utilized by the aerial imagery project and related tools. Since RCWD is the IRWM lead for the USMW and has incurred staff costs in coordinating the work in that region, SAWPA is proposing to reimburse them for costs they experienced in managing the overall Drought Grant Program. In order to reimburse RCWD for their staff costs, a Sub-Agreement amendment is needed to their initial Sub-Agreement with SAWPA. Costs in Project 2 have been fully utilized in the USMW.

**Chino Hills Sub-Agreement Amendment**

As shown in Table A, $91,700 in available grant funding is not needed by the City of Chino to implement their conservation-based rates structure. Staff has coordinated with the City of Chino.
Hills, who adopted a conservation-based rate structure in May 2018. They have a need for additional funding to cover the cost for items such as their billing system upgrade and staff time for handling variance requests. Chino is expected to invoice for $40,000 by March 30, 2020 for items such as a customer rates portal. In case Chino does not invoice for the full $40,000, SAWPA is recommending a sub-agreement amendment with Chino Hills that includes an “not to exceed” amount that reflects the scenario where Chino doesn’t invoice any of the $40,000. Those calculations are shown in the table below:

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
<th>Retail Agency Partners</th>
<th>Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerial Imagery</td>
<td>Map the amount of living vegetation in the watershed</td>
<td>Various agencies have received aerial imagery from SAWPA</td>
<td>-ESRI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Geophex</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Resource Strategies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Statistical Research</td>
</tr>
<tr>
<td>Conservation-Based Water Rates</td>
<td>Incentive program where interested retail water agencies who have partnered under contract with SAWPA receive financial incentives to</td>
<td>Current: -Chino -Chino Hills -Hemet Past: -Cucamonga Valley WD - East Valley WD</td>
<td>-CV Strategies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Ken Baerenklau</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Goal Productions</td>
</tr>
</tbody>
</table>
study and adopt the rate structure  
-Garden Grove  
-Rialto  
-San Jacinto  
-Tustin  

Meter Geocoding and Business Type Classification  
Match water meter accounts to meter service areas for interested retail agencies  
18 Retail Water Agencies  
Miller Spatial Services  

Web-Based Information Tool  
Allows interested retail water agencies to send customized messages to their customers based off of their water use  
-Brea  
-Fullerton  
-Loma Linda  
-Newport Beach  
-Ontario  
-Rialto  
-Tustin  
-Eastern MWD  
-Monte Vista WD  
-West Valley WD  
-Yorba Linda WD  
-OmniEarth (acquired by EagleView)  
-Dropcountr  

Project 2: High Visibility Turf Removal and Retrofit  

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
<th>Retail Agency Partners</th>
<th>Implementation Agencies</th>
</tr>
</thead>
</table>
| High Visibility Turf Removal and Retrofit      | Turf removal rebate program that provides approximately $1 per square foot from the grant | Various retailers, as well as HOAs, commercial entities, churches and other public agencies | -EMWD  
  -IEUA  
  -OCWD/MDOC  
  -RCWD  
  -SBVMWD  
  -SBWD  
  -WMWD  
  -MWDSC |

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

None.
Attachments:

1. PowerPoint Presentation
2. Chino Hills Sub-Agreement Amendment
3. Rancho California Water District Sub-Agreement Amendment
Adoption of Sub-Agreement Amendments with Rancho California Water District and Chino Hills

Ian Achimore, Senior Watershed Manager
PA 22 Committee | March 10, 2020
Item No. 4.A.
Recommendation

To ensure the Drought Grant’s program savings for the Conservation Based Reporting Tools and Rate Structure Project are utilized, approve execution of a sub-grantee agreement amendment:

1. With Rancho California Water District for amount not to exceed $25,745 in grant funding, and

2. With Chino Hills for amount not to exceed $1,184,000 in grant funding.
IRWM/DWR Agreement Timeline

SAWPA IRWM Funding Area Grant Agreements

- Prop 84 Round 1: Executed 2012
- Prop 84 Round 2: Executed 2014
- Prop 84 2014 Drought Round: Executed 2015
- Prop 84 2015 Final Round: Executed 2016
- Prop 1 Round 1: Executed 2020 (estimate)
Projects included in Drought Grant Program

Project 1: Conservation Based Reporting Tools and Rate Structure Implementation

Project 2: High Visibility Turf Removal and Retrofit
About Conservation Based Tools Project

- Total grant budget = $6,435,676
- Project Scope: SAWPA managed various consultants and partners to:
  - Acquire high resolution imagery and launch related tools such as meter geo-coding,
  - Incentivize conservation-based rates,
  - Implement a web-based customer water consumption tool.
IRWM Regions in Southern California

Note: Numbering in map used by DWR to identify regions in their database.
## Grant Amount by Region

<table>
<thead>
<tr>
<th>Item</th>
<th>Grant Amount SARW</th>
<th>Grant Amount USMW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>$6,330,066</td>
<td>$105,610</td>
</tr>
<tr>
<td>Project 2</td>
<td>$5,426,934</td>
<td>$997,500</td>
</tr>
<tr>
<td>Total</td>
<td>$11,757,000</td>
<td>$1,103,110</td>
</tr>
</tbody>
</table>
## Project 1 Anticipated Invoices

<table>
<thead>
<tr>
<th>Item</th>
<th>Future Invoice Amount</th>
<th>Information on Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino (Water Rates)</td>
<td>$40,000</td>
<td>Amount is within their existing contract approved by the PA 22 Committee</td>
</tr>
<tr>
<td>Chino Hills (Water Rates)</td>
<td>$91,700</td>
<td>Funding that would have gone to Chino but is not needed for Chino rate implementation.</td>
</tr>
<tr>
<td>Rancho California Water District (IRWM Project Management)</td>
<td>$25,745</td>
<td>Funding designated to the Upper Santa Margarita Watershed. Previously budgeted for the Aerial Imagery Project but not needed due to cost savings.</td>
</tr>
<tr>
<td>ESRI (Aerial Imagery Dashboard)</td>
<td>$3,500</td>
<td>Anticipated final invoice from ESRI.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$160,945</strong></td>
<td></td>
</tr>
</tbody>
</table>
As shown in the preceding table, there is $25,745 in grant funding available for Upper Santa Margarita Watershed.

Funding was not needed for the Aerial Imagery Project.

Since RCWD is the IRWM lead for the USMW and has incurred staff costs in coordinating the work in the region, SAWPA is proposing to reimburse them for costs they experienced in managing the overall Drought Grant Program.
As shown in the preceding table, there is grant funding available to assist Chino and Chino Hills with their rates implementation;

- Chino expected to invoice for another $40,000;
- Recommend an amount “not to exceed” $1,184,005 for Chino Hills to ensure all rates funding is spent.

<table>
<thead>
<tr>
<th></th>
<th>Invoiced To Date</th>
<th>Estimated Future Invoices</th>
<th>Final Estimated Grant</th>
<th>Max Grant for Chino Hills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino</td>
<td>$138,495</td>
<td>$40,000</td>
<td>$178,495</td>
<td>N/A</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>$1,052,304</td>
<td>$91,701</td>
<td>$1,144,005</td>
<td>$1,184,005*</td>
</tr>
</tbody>
</table>

*Reflects the additional $40,000 ($1,144,005 plus $40,000) from the City of Chino.
Recommendation

To ensure the Drought Grant’s program savings for the Conservation Based Reporting Tools and Rate Structure Project are utilized, approve execution of a sub-grantee agreement amendment:

1. With Rancho California Water District for an amount not to exceed approximately $25,745 in grant funding, and

2. With Chino Hills for amount not to exceed $1,184,000 in grant funding.
This Amendment No. 2 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract ("Contract") executed on December 23, 2015 is made between Santa Ana Watershed Project Authority, acting through the Project Agreement 22 Committee ("SAWPA"), and City of Chino Hills (the "Sub-Grantee"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, SAWPA is implementing the Contract using funds provided by the Proposition 84 IRWMP Implementation Grant Agreement ("Grant Agreement") between SAWPA and the Department of Water Resources;

WHEREAS, the Sub-Grantee is participating in the Implementation of Conservation Based Rate Structures Project ("Project") described in the Grant Agreement;

WHEREAS, SAWPA and the Sub-Grantee executed Amendment No. 1 to the Contract to provide the Sub-Grantee with additional funds from the Grant Agreement that were realized due to cost savings;

WHEREAS, due to further cost savings, SAWPA is able to provide the Sub-Grantee with additional funds from the Grant Agreement;

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in the Contract, Amendment No. 1 and this Amendment, the Parties hereby agree to the following changes to the provisions of the Contract shown below, with all other provisions of the Contract remaining in effect:

Section 3 from Amendment No. 1 is hereby amended as follows:

**SECTION 3. ESTIMATED ELIGIBLE COSTS; PHASE 1 AND 2 ALLOCATIONS; GRANT AMOUNT**

The estimated total reasonable and eligible cost of Phase 1 and Phase 2 at the time of SAWPA and DWR’s approval of the Grant Agreement is up to $1,184,005 $452,304.00. Funding will be provided on a reimbursement basis of the Sub-Grantee’s expenses. There are no matching funds required although only eligible costs are covered as described in this Section. The amount of eligible costs for reimbursement by IRWMP grant funds for Phase 1 is up to $107,515.00. The amount of eligible costs for reimbursement for Phase 2 is up to $1,076,490 $344,789.00 although any portion of Phase 1’s allocation not utilized by the Sub-Grantee is also eligible for reimbursement for the second phase. The Sub-Grantee is eligible for Phase 2’s allocation once it provides SAWPA with a resolution of adoption of conservation-based water rates structures by the Sub-Grantee’s elected governing board. In addition, to be eligible to receive IRWMP grant funds for Phase 2, the Sub-Grantee shall provide updated customer water use data for a period of time that SAWPA will specify before conservation-based water rates were adopted in order to establish a water usage baseline by customer class. For the reporting required described in Section 12 and
14 of this Contract, the Sub-Grantee shall report on water savings by customer class in order to provide an effective comparison to the established baseline.

Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in an amount not to exceed the Sub-Grantee’s estimated reasonable costs. However, SAWPA’s actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from DWR.

After Phase 2, if the Sub-Grantee fails or refuses to maintain its conservation-based water rates structure for three (3) years after adoption, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA’s sole right and remedy for violation of this section is to require any monies received by Sub-Grantee from SAWPA for Phase 2 to be returned with interest calculated at the State of California general obligation bond interest rate in effect at the time of the breach. Sub-Grantee will not be in violation of this section for failure to maintain the conservation-based water rates due to the establishment or change of law or ruling on the part of a court which provides that conservation-based water rates are not allowed by law.

If actual costs exceed the estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedance.

Eligible project costs include the reasonable costs of a water rates consultant, a rate design study, aerial imagery and global information system data, legal review, consultant fees for training board members, temporary customer service during the initial implementation of the work, Proposition 218 notices, bill design and shadowing and initial equipment needed during the implementation of the conservation based water rate structure.

Costs not eligible for reimbursement or eligible to be counted as local match include, but are not limited to:

- Costs incurred before the dates specified below.
- Operation and maintenance costs, including post monitoring costs.
- Purchase of equipment that is not an integral part of the project.
- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Support of existing agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project.
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement.
- Overhead not directly related to project costs.
- Travel and per diem costs.

Work performed after January 1, 2010, is eligible to be counted as local match. Work performed on or after January 17, 2014, is eligible for reimbursement.

IN WITNESS THEREOF, the parties have executed this Amendment on the dates set forth below.

[Signature of SAWPA and Sub-Grantee on following page]
SANTA ANA WATERSHED PROJECT AUTHORITY

Dated: _________________________  By: ________________________________

Richard E. Haller, P.E., General Manager

CITY OF CHINO HILLS
Sub-Grantee

Dated: _________________________  By: ________________________________

Benjamin Montgomery, City Manager
This Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract ("Contract") is made between Santa Ana Watershed Project Authority ("SAWPA") and Rancho California Water District (the "Sub-Grantee"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, SAWPA is implementing the Contract using funds provided by the Proposition 84 IRWMP Implementation Grant Agreement ("Grant Agreement") between SAWPA and the Department of Water Resources ("DWR");

WHEREAS, the Upper Santa Margarita Watershed IRWMP region includes portions of Eastern Municipal Water District and Western Municipal Water District, all of the Sub-Grantee’s service area and other parts of the Upper Santa Margarita Watershed;

WHEREAS, SAWPA has identified additional funds designated for the Upper Santa Margarita Watershed from the Grant Agreement that can be made available to the Sub-Grantee from other Program savings;

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Contract, the Parties hereby agree to the following:

Section 3 of the Contract is hereby amended as follows:

SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS; GRANT AMOUNT

The estimated reasonable cost of the Institutional and HOA Turf Removal Project at the time of SAWPA's and DWR’s approval of the Project is One Million Two Hundred Twenty-Seven Thousand One Hundred Forty-Five dollars ($1,227,145) for at least 500,000 square feet of turf retrofitted. The IRWMP grant and local matching funds will be provided to individual landscape retrofit projects on properties owned and maintained by a homeowner association, institution or public agency, whereby each individual property can receive no more than $250,000 in IRWMP grant funds per the policy statement issued by the Committee.

Five Hundred Twenty-Five Thousand dollars ($525,000) is the Sub-Grantee’s share of the funding from the IRWMP grant designated for implementing the Institutional and HOA Turf Removal Project. The designated required local cost share is $702,145. In order to meet the qualifications for this grant, the
Sub-Grantee is expected to conserve, at a minimum, approximately 68 AFY of water, approximately 44 gallons per square foot, and retrofit 500,000 square feet of turf by June 30, 2018.

Twenty-Five Thousand Seven Hundred Forty-Five dollars ($25,745) is the Sub-Grantee’s share of the funding from the IRWMP grant. This portion will be used for serving as the IRWMP RWMG lead and assisting in the execution of the Web-Based Water Consumption Reporting, Analytics and Customer Engagement Tool Project and Aerial Mapping Project.

Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in an amount not to exceed the Sub-Grantee’s allocation as designated by the Committee. However, SAWPA’s actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from the DWR. Local match funds shall not include SRF loans per DWR criteria.

If the Sub-Grantee proceeds to approve applications and make obligations through its conservation program, the final grant amount will be determined in accordance with the provisions of this Contract. If the Sub-Grantee fails or refuses to proceed with or complete the project within the project period, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA shall have all rights and remedies as are otherwise available to it for breach of this Contract by the Sub-Grantee.

If actual Project costs exceed the Project’s estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedence.

Eligible project costs include the reasonable costs of removing turf grass, materials, dumping fees, equipment rental, design work and labor costs by licensed contractor at individual project sites that meet the criteria established by the Committee, such as high visibility.

Costs not eligible for reimbursement or eligible to be counted as local match include, but are not limited to:

- Costs incurred before the dates specified below.
- Operation and maintenance costs, including post construction performance and monitoring costs.
- Purchase of equipment that is not an integral part of the project.
- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Support of existing agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project.
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement.
- Overhead not directly related to project costs.
- Travel and per diem costs.

Work performed after January 1, 2010 is eligible to be counted as local match. Work performed on or after January 17, 2014 is eligible for reimbursement.
IN WITNESS WHEREOF, the parties have executed this Amendment on the latter of the dates set forth below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Dated: _________________________  By: __________________________________________________________________________
Richard E. Haller, General Manager

RANCHO CALIFORNIA WATER DISTRICT
Sub-Grantee

Dated: _________________________  By: __________________________________________________________________________
Jeff Armstrong, General Manager
PA 22 COMMITTEE MEMORANDUM NO. 2020.6

DATE: March 10, 2020

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Adoption of Sub-Agreement Amendment | Inland Empire Utilities Agency

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Authorize the General Manager to execute Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract with the Inland Empire Utilities Agency (IEUA) for an amount not to exceed $117,865 in grant funding for the Turf Removal and Retrofit Project increasing the grant funding to IEUA from $6,306,569 to $6,424,434.

DISCUSSION

The Proposition 84 Integrated Regional Water Management (IRWM) Drought Grant executed between SAWPA and the Department of Water Resources (DWR) in 2015 includes two projects:

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

Per feedback by the PA 22 Committee at their November 21, 2019 meeting, SAWPA solicited the remaining grant cost savings for Project 2 Turf Removal and Retrofit through a “first come, first serve” process. IEUA was ultimately successful in submitting $117,865 in grant reimbursable costs to SAWPA under this process. With this increase, IEUA’s total amount of grant funding under the Project is $1,256,865. Table A below shows the final costs for each of the agencies. With this final sub-agreement approval, the Turf Removal and Retrofit Project will be complete.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Original Contract Amounts</th>
<th>Prior PA 22 Approved Increases</th>
<th>First Come First Serve</th>
<th>Final Costs (All columns summed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMWD*</td>
<td>$ 1,326,800</td>
<td>$ 494,177</td>
<td>-</td>
<td>$ 1,820,977</td>
</tr>
<tr>
<td>IEUA</td>
<td>$ 807,564</td>
<td>$ 331,436</td>
<td>$ 117,865</td>
<td>$ 1,256,865</td>
</tr>
<tr>
<td>OCWD/MWDOC</td>
<td>$ 880,894</td>
<td>$ 83,605</td>
<td>-</td>
<td>$ 964,499</td>
</tr>
<tr>
<td>SBVMWD</td>
<td>$ 828,499</td>
<td>-</td>
<td>-</td>
<td>$ 824,999</td>
</tr>
<tr>
<td>WMWD*</td>
<td>$ 903,743</td>
<td>$ 124,851</td>
<td>-</td>
<td>$ 1,028,594</td>
</tr>
<tr>
<td>RCWD</td>
<td>$ 525,000</td>
<td>-</td>
<td>-</td>
<td>$ 525,000</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,272,500</td>
<td>$ 1,034,069</td>
<td>$ 117,865</td>
<td>$ 6,424,434</td>
</tr>
</tbody>
</table>

*Includes the Upper Santa Margarita Watershed.
IEUA was the only agency that submitted a request for reimbursement at the “first come, first serve” process. As shown in the table above, the “Prior PA 22 Approved Increases” represent what was approved by the Committee at their August 24, 2017 meeting. That decision was made at that time because there was Drought Grant cost savings after the completion of the 2015 aerial imagery project, also funded by the Drought Grant.

BACKGROUND

The Emergency Drought Grant Program (Program), which is funded by a Proposition 84 Integrated Regional Water Management $12.9 Million grant by the Department of Water Resources (DWR), has a termination date of December 31, 2020. The Program includes several components (also known as tasks/projects). Project 2, Turf Removal and Retrofit, involves the SAWPA member agencies, the Municipal Water District of Orange County and Rancho California Water District to receive additional grant funding for the turf removal rebates that they offer to their customers. This additional grant funding provides an incentive to larger scale highly visible projects on commercial, institutional/publicly owned, churches and homeowner association properties.

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

None.

Attachments:

1. PowerPoint Presentation
2. IEUA Sub-Agreement Amendment
Adoption of Sub-Agreement Amendment with Inland Empire Utilities Agency

Ian Achimore, Senior Watershed Manager
PA 22 Committee | March 10, 2020
Item No. 4.B.
Recommendation

Approve execution of a sub-grantee agreement amendment with Inland Empire Utilities Agency for an amount not to exceed $117,865 in grant funding for the Turf Removal and Retrofit Project.
IRWM/DWR Agreement Timeline

SAWPA IRWM Funding Area Grant Agreements

- Prop 84 Round 1: Executed 2012
- Prop 84 Round 2: Executed 2014
- Prop 84 2014 Drought Round: Executed 2015
- Prop 84 2015 Final Round: Executed 2016
- Prop 1 Round 1: Executed 2020 (estimate)
Projects included in Drought Grant Program

Project 1: Conservation Based Reporting Tools and Rate Structure Implementation

Project 2: High Visibility Turf Removal and Retrofit

*tasks/projects
About Turf Removal and Retrofit Project

- Total grant budget = $6,424,434
- Project Scope: Allows SAWPA member agencies to increase base rebate amount (often from Metropolitan or SBVMWD) to incentivize large scale highly visible projects from customers in the following categories:
  - Commercial,
  - Publicly Owned/Institutional,
  - Churches, and
  - HOAs.
- Project includes two IRWM regions.
  - Grant funds need to be allocated by region (like Project 1).
Timeline

- Summer 2015: Drought Grant Agreement Executed
- Fall 2017: Finished implementing Aerial Mapping Project
- August 2017: PA 22 Approves Grant Increases for Several Agencies
- Fall 2019: SAWPA/DWR Process Amendment No. 2 to Drought Grant (cost savings)
  - PA 22 Committee supportive of using “first come, first serve” for allocating cost savings for turf for Santa Ana River Watershed
- Winter 2020: IEUA successful in “first come, first serve” process
## Overview of Grant Funding by Agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Original Contract Amounts</th>
<th>Prior PA 22 Approved Increases</th>
<th>First Come First Serve</th>
<th>Final Costs (All columns summed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMWD*</td>
<td>$ 1,326,800</td>
<td>$ 494,177</td>
<td>-</td>
<td>$ 1,820,977</td>
</tr>
<tr>
<td>IEUA</td>
<td>$ 807,564</td>
<td>$ 331,436</td>
<td>$ 117,865</td>
<td>$ 1,256,865</td>
</tr>
<tr>
<td>OCWD/MWDOC</td>
<td>$ 880,894</td>
<td>$ 83,605</td>
<td>-</td>
<td>$ 964,499</td>
</tr>
<tr>
<td>SBVMWD</td>
<td>$ 828,499</td>
<td>-</td>
<td>-</td>
<td>$ 828,499</td>
</tr>
<tr>
<td>WMWD*</td>
<td>$ 903,743</td>
<td>$ 124,851</td>
<td>-</td>
<td>$ 1,028,594</td>
</tr>
<tr>
<td>RCWD</td>
<td>$ 525,000</td>
<td>-</td>
<td>-</td>
<td>$ 525,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 5,272,500</strong></td>
<td><strong>$ 1,034,069</strong></td>
<td><strong>$ 117,865</strong></td>
<td><strong>$ 6,424,434</strong></td>
</tr>
</tbody>
</table>

*Includes the Upper Santa Margarita Watershed IRWM Region.
Conclusions

- No other agencies had major projects scheduled to be completed soon.
- Processing this last invoice will allow SAWPA/DWR to begin to release approximately $530,000 in retention for the SAWPA member agencies, MWDOC and RCWD.
Recommendation

Approve execution of a sub-grantee agreement amendment with Inland Empire Utilities Agency for an amount not to exceed $117,865 in grant funding for the Turf Removal and Retrofit Project.
AMENDMENT NO. 1
PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM 2014
DROUGHT SOLICITATION
IMPLEMENTATION GRANT FUNDING CONTRACT
BETWEEN THE
SANTA ANA WATERSHED PROJECT AUTHORITY
AND
INLAND EMPIRE UTILITIES AGENCY

This Amendment No. 1 to the Proposition 84 Integrated Regional Water Management Program ("IRWMP") 2014 Drought Solicitation Implementation Grant Funding Contract ("Contract") is made between Santa Ana Watershed Project Authority ("SAWPA") and Inland Empire Utilities Agency (the "Sub-Grantee"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, SAWPA is implementing the Contract using funds provided by the Proposition 84 IRWMP Implementation Grant Agreement ("Grant Agreement") between SAWPA and the Department of Water Resources ("DWR"); and

WHEREAS, the Sub-Grantee is participating in the Interregional Landscape Water Demand Reduction Program ("Program") in order to implement a suite of measures that include the Institutional and HOA Turf Removal Project ("Project") as described in the Grant Agreement; and

WHEREAS, SAWPA has identified additional funds from the Grant Agreement that can be made available to the Sub-Grantee from other Program savings.

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Contract and this Amendment, the Parties hereby agree to the following changes to the provisions of the Contract shown below, with all other provisions of the Contract remaining in effect:

Section 1 of the Contract is hereby amended as follows:

SECTION 1. PROJECT DESCRIPTION

The Sub-Grantee’s Project is the Institutional and HOA Turf Removal Project ("Project") component of the Interregional Landscape Water Demand Reduction Program as described in the Grant Agreement. The Project will be implemented by the Sub-Grantee in its service area by providing financial incentives to highly visible properties that are maintained by a public agency, institution or a homeowner association (HOA) who apply for funding to support individual landscape retrofit projects. The Sub-Grantee has an existing landscape retrofit conservation program that provides customers in its service area a financial incentive for landscape retrofit projects subject to certain conditions. The Project will involve the Sub-Grantee leveraging additional funding from the grant at the up to approximately $1 per square foot level to provide an increased incentive to public agency, institutional and HOA applicants that have highly visible landscape retrofit projects in order to conserve additional water and create a market transformation from ornamental turf grass to drought tolerant landscapes in the Santa Ana River and the Upper Santa Margarita Watersheds.
The Sub-Grantee shall also provide in-kind services to support the implementation of the Implementation of Conservation Based Rate Structures Project. In-kind staff time will be provided to assist in the development of region wide support tools and education for retail water agencies within the Santa Ana River Watershed.

Section 3 of the Contract is hereby amended as follows:

SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS; GRANT AMOUNT

The estimated reasonable cost of the Institutional and HOA Turf Removal Project at the time of SAWPA's and DWR's approval of the Project is One Million Eight Hundred Eighty-Seven Thousand Six Hundred Fourteen dollars ($1,887,614) Four Million One Hundred Twenty Eight Thousand Six Hundred Eleven dollars ($4,128,611) for approximately 1,319,167 755,615 square feet of turf retrofitted. The IRWMP grant and local matching funds will be provided to individual landscape retrofit projects on properties deemed eligible owned and maintained by a homeowner association, institution or public agency, whereby each individual property can receive no more than $250,000 in IRWMP grant funds per the policy statement issued by the Committee.

One Million Two Hundred Fifty Six Thousand Eight Hundred Sixty Five dollars ($1,256,865) Eight Hundred Seven Thousand Five Hundred Sixty-Four dollars ($807,564) is the Sub-Grantee’s share of the IRWMP grant funds designated for implementing this Project within the Santa Ana River Watershed as designated by the Committee’s policy statement. In order to meet the qualifications for this grant, the Sub-Grantee is expected to conserve, approximately 178 102 AFY of water, approximately 44 gallons per square foot, and retrofit approximately 1,319,167 755,615 square feet of turf by June 30, 2018. The designated required local cost share is $1,080,050. The allocation of IRWMP grant funds between the Sub-Grantees to the Grant Agreement is subject to reallocation by the Committee as designated by the Committee’s policy statements.

The estimated reasonable costs, which reflects the total rebates provided to the Sub-Grantee’s customers, is itemized in Table A using the categorization in the Grant Agreement.

<table>
<thead>
<tr>
<th>Category</th>
<th>Grant Amount</th>
<th>Required Local Cost Share</th>
<th>Additional Cost Share</th>
<th>Estimated Reasonable Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category D (Construction/Implementation)</td>
<td>$1,256,865</td>
<td>$1,080,050</td>
<td>$1,791,696</td>
<td>$4,128,611</td>
</tr>
</tbody>
</table>

Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in an amount not to exceed the Sub-Grantee’s allocation designated by the Committee. However, SAWPA’s actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from the DWR. Local match funds shall not include SRF loans per DWR criteria.

If the Sub-Grantee proceeds to approve applications and make obligations through its conservation program, the final grant amount will be determined in accordance with the provisions of this Contract. If
the Sub-Grantee fails or refuses to proceed with or complete the project within the project period, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA shall have all rights and remedies as are otherwise available to it for breach of this Contract by the Sub-Grantee.

In-Kind Contributions
The Sub-Grantee shall document its in-kind contributions in accordance with Section 15 of this Contract.

If actual Project costs exceed the Project’s estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedence.

Eligible project costs include the reasonable costs of removing turf grass, materials, dumping fees, equipment rental, design work and labor costs by licensed contractor at individual project sites that meet the criteria established by the Committee, such as high visibility.

Costs not eligible for reimbursement or eligible to be counted as local match include, but are not limited to:

- Costs incurred before the dates specified below.
- Operation and maintenance costs, including post construction performance and monitoring costs.
- Purchase of equipment that is not an integral part of the project.
- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Monitoring and assessment costs for efforts required after project construction is complete.
- Support of existing agency requirements and/or mandates in response to negligent behavior.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project.
- Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of this Grant Agreement.
- Overhead not directly related to project costs.
- Travel and per diem costs.

Work performed after January 1, 2010, are eligible to be counted as local match. Work performed on or after January 17, 2014, is eligible for reimbursement.

IN WITNESS THEREOF, the parties have executed this Amendment on the latter of the dates set forth below.

SANTA ANA WATERSHED PROJECT AUTHORITY

Dated: ________________________  By: ________________________________

Richard E. Haller, General Manager
INLAND EMPIRE UTILITES AGENCY
Sub-Grantee

Dated: _________________________ By: ________________________________________

                                   Shivaji Deshmukh, General Manager
DATE: March 10, 2020

TO: SAWPA Project Agreement 22 Committee

SUBJECT: Smartscape Update

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Receive and file.

DISCUSSION

The Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) includes several projects including the water use efficiency focused Smartscape Program. The Program was designed to continue the momentum of the various turf removal rebates that were offered by the Emergency Drought Grant Program and train water agency customers to maintain their drought-tolerant landscapes. Orange County Coastkeeper (OCCK) is a project partner and the lead for implementing Smartscape while SAWPA manages the agreement with OCCK. The SAWPA member agencies are the lead for requesting tasks to be completed by OCCK.

The time frame for Smartscape implementation per the PA 22 approved Smartscape Roles/Responsibilities Memo is from March 2018 to March 2020 and each agency has a $96,509 allocation to spend by using the services of OCCK.

With $328,549 in invoices received through December 31, 2019, the Smartscape Program is 85% implemented. It is estimated that the project will be completed in SBVMWD service area by May 2020 and WMWD by July 2020.

<table>
<thead>
<tr>
<th>Agency</th>
<th>EMWD</th>
<th>IEUA</th>
<th>SBMVWD</th>
<th>WMWD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$386,034</td>
</tr>
<tr>
<td>Invoiced</td>
<td>$96,875</td>
<td>$96,349</td>
<td>$88,275</td>
<td>$47,050</td>
<td>$328,549</td>
</tr>
<tr>
<td>Remaining</td>
<td>($366)*</td>
<td>$160</td>
<td>$8,234</td>
<td>$49,459</td>
<td>$57,485</td>
</tr>
</tbody>
</table>

*SAWPA has small contingency to handle minor overages.

CRITICAL SUCCESS FACTORS

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

RESOURCE IMPACTS
None.

Attachment:

• PowerPoint Presentation
Smartscape Update

Ian Achimore, Senior Watershed Manager
PA 22 Committee | March 10, 2020
Item No. 4.C.
Program Development and Task List

- Smartscape is a partnership between SAWPA member agencies and OC Coastkeeper, developed in 2015 during SARCCUP initial grant application effort;

- Supports water customers that have transitioned from turf grass to drought tolerant landscaping through specific tasks:
  - Landscape site visits
  - Develop written training materials
  - Workshops, training, etc.

- Makes physical improvements to irrigation systems (prevents leaks and overwatering)
Program Overview

- Program descriptions contained in Sub-Agreement and SAWPA Member Agency Roles/Responsibilities

Memo:

- Defines two-year schedule (March 2020 end date)
- Defines scope and qualifications for OCCK training and outreach personnel
- Task list and their specific costs
- Deliverables:
  - Photo verification;
  - Customer forms; and
  - Reports on work completed.
Examples of Tasks Implemented

Landscape Designs - WMWD

Irrigation Improvements - IEUA

All plants are 1 gallon in size except for Mounda, which is a 15 or 25 gallon. You will need a minimum of 4 cubic yards of decomposed granite. Plant design features 60 plants for 1,971 sq ft meeting the rebate requirement of 5 plants per 100 sq ft.
Smartscape Budget

<table>
<thead>
<tr>
<th>Coastkeeper Sub-Agreement Amount</th>
<th>Grant Amount</th>
<th>Local Match*</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$122,000</td>
<td>$278,000</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

*OCWD’s SARCCUP local cost share funding originally intended for Smartscape was added to Conservation-Based Water Rates portion of SARCCUP based on Pa 22 Committee direction and OCWD request.*
### Smartscape Spending to Date (Dec 2019)

<table>
<thead>
<tr>
<th>Agency:</th>
<th>EMWD</th>
<th>IEUA</th>
<th>SBMVWD</th>
<th>WMWD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$96,509</td>
<td>$386,034</td>
</tr>
<tr>
<td>Invoiced</td>
<td>$96,875</td>
<td>$96,349</td>
<td>$88,275</td>
<td>$47,050</td>
<td>$328,549</td>
</tr>
<tr>
<td>Remaining</td>
<td>($366)*</td>
<td>$160</td>
<td>$8,234</td>
<td>$49,459</td>
<td>$57,485</td>
</tr>
</tbody>
</table>

*SAWPA has small contingency to handle minor overages.
Questions