



PROJECT AGREEMENT 22 COMMITTEE
Interregional Landscape Water Demand Reduction Program
REGULAR MEETING MINUTES
June 27, 2019

COMMITTEE MEMBERS PRESENT

Michael Markus, General Manager, Orange County Water District [Vice Chair]
Shivaji Deshmukh, General Manager, Inland Empire Utilities Agency [via conference call]
Doug Headrick, General Manager, San Bernardino Valley Municipal Water District
Craig Miller, General Manager, Western Municipal Water District

COMMITTEE MEMBERS ABSENT

Paul D. Jones, General Manager, Eastern Municipal Water District [Chair]

STAFF PRESENT

Dean Unger, Ian Achimore, Karen Williams, Katie Lucht, Kelly Berry, Larry McKenney, Mark Norton, Matt Howard, Rick Whetsel, Zyanya Ramirez

1. CALL TO ORDER

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, and by telephone conference at 6075 Kimball Avenue, Chino, California, 91708. Roll call was duly noted.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MEETING MINUTES: March 28, 2019

Committee Member Deshmukh stated he was not present at the March 28, 2019 meeting and would accordingly abstain from voting.

MOVED, approve the March 28, 2019 meeting minutes.

Result:	Adopted by Roll Call Vote (Passed)
Motion/Second:	Miller/Headrick
Ayes	Markus, Headrick, Miller
Nays:	None
Abstentions:	Deshmukh
Absent:	Jones

4. COMMITTEE DISCUSSION ITEMS

A. PROJECT AGREEMENT 22 COMMITTEE BUDGET FOR FISCAL YEARS ENDING 2020 AND 2021 (PA22#2019.7)

Ian Achimore provided a PowerPoint Presentation titled, *Committee Budget for Fiscal Years Ending 2020 & 2021*; the presented version had been revised since the posting of the agenda packet.

Vice Chair Markus requested staff provide an overall total grant funding amount broken down into the different components for the next budget update. He asked for a status of funds allocated to the High Visibility Turf Removal and Retrofit Project. Achimore stated that they are scheduled to pay \$1M in turf removal invoices this month and \$1.5M next month. All turf removal work has been completed; staff is processing paperwork. All paperwork needs to be submitted to the Department of Water Resources by November 2019. Committee Member Miller asked if the turf removal was being audited. Achimore responded yes, some agencies are performing their audit through third parties or in-house.

Vice Chair Markus noted that the recommendation brought forth to the Committee had already been adopted by the SAWPA Commission in the FYE 2020-2021 SAWPA budget.

MOVED, adopt the PA22 Committee Budget for Fiscal Year Ending (FYE) 2020 and 2021

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Headrick/Miller
Ayes	Markus, Deshmukh, Headrick, Miller
Nays:	None
Abstentions:	None
Absent:	Jones

B. CITY OF HEMET CONSERVATION-BASED RATE STUDY PROCESS (PA#2019.8)

Ian Achimore provided a PowerPoint presentation on City of Hemet's Conservation-Based Water Rates process contained in the agenda packet on pages 23–26.

In May 2019, the City of Hemet's rate study was 95% complete, but the City is choosing not to move forward with finalizing the study due to direction of new city management and the approaching deadline of the grant. SAWPA staff has worked with the City of Chino Hills, another SAWPA rates sub-grantee, who acquired an approximately \$1M billing system to help assist conservation-based rates, and the City is able to utilize the approximately \$376,000 in Hemet's unutilized contract.

Vice Chair Markus raised concerns about the City of Chino Hills receiving the remaining funds. He encouraged staff to evaluate their funding allocation process for future funding for Conservation-Based Water Rates Programs and stated he would have wanted to see the funds be distributed to more entities or be used to fund other programs.

Three out of the initial nine participants in the Conservation-Based Water Rates Program elected to set up budget-based rates. SAWPA staff agreed and stated that they are currently working to improve their incentives and possibly identify other projects to fund in place of Conservation-Based Water Rates Program under the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP).

MOVED, approve payment of grant funding for the City of Hemet's work-to-date of the implementation of a rate analysis as complying with the PA22 Committee conservation-based rates policy statements.

Result:	Adopted by Roll Call Vote (Unanimously)
Motion/Second:	Miller/Headrick
Ayes	Markus, Deshmukh, Headrick, Miller
Nays:	None
Abstentions:	None
Absent:	Jones

After the approval of Agenda Item No. 4.B., Committee Member Deshmukh left the meeting at 8:36 a.m. and ended the telephone conference at 6075 Kimball Avenue, Chino, California.

C. CONSERVATION-BASED WATER RATES PROGRAM CHANGES FOR THE SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP) (PA22#2019.9)

Ian Achimore provided the PowerPoint presentation included in the agenda packet on pages 29–35. The presentation outlined recommended changes to the Conservation-Based Water Rates Program for the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) that would streamline implementation, increase incentives with limited funding, and adapt to the “post-drought” mindset that is discouraging entities to continue with the Conservation-Based Water Rates Program. A total of \$1.2M is being allocated to this Program.

Based on small number of participants from the Conservation-Based Water Rates component under the Emergency Drought Grant Program, Achimore recommended the Committee assess other options for the allocation of the \$1.2M. It was noted that if the PA22 Committee would want to repurpose the funds for another water-use efficiency project, an approval from the PA23 Committee is not necessary; moving funds to another component of SARCCUP not involving water-use efficiency may require an amendment to the SARCCUP Grant Agreement and approval by the PA23 Committee.

Vice Chair Markus expressed his desire to defer this item until there is a broader discussion on whether the Committee wants to dedicate the \$1.2M to the Conservation-Based Water Rates Program under SARCCUP. Committee Member Miller concurred, suggesting the Committee review all options prior receiving a recommendation. Staff was directed to provide options at a future meeting for discussion.

Agenda Item No. 4.C. was deferred to a future meeting by consensus of the PA22 Committee, and no action was taken.

D. RETAIL WATER AGENCY METER GEOCODING AND BUSINESS TYPE CLASSIFICATION PROGRAM (PA22#2019.10)

Rick Whetsel and Doug Mende, Millar Spatial Services LLC, provided the PowerPoint presentation on Retail Water Agency Meter Geocoding and Business Type Classification Program contained in the agenda packet on pages 39–41. A demonstration of the Meter ArcGIS Online Application was presented. There was no discussion.

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

E. SMARTSCAPE UPDATE (PA22#2019.11)

Ian Achimore provided a PowerPoint presentation titled *Smartscape Update* contained in the agenda packet on pages 45-49. The Smartscape program is a partnership between SAWPA member agencies and OC Coastkeeper; it supports water customers that have transitioned from turf grass to drought tolerant landscaping. Based on projections the project is scheduled to end on time.

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

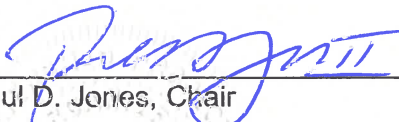
5. FUTURE AGENDA ITEMS

- A discussion about possibly reallocating the \$1.2M in funds from the Conservation-Based Water Rates Program under SARCCUP to another component within SARCCUP, whether or not it be related to water-use efficiency.

6. ADJOURNMENT

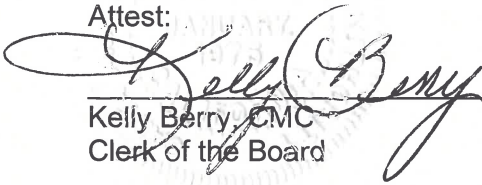
There being no further business for review, Vice Chair Markus adjourned the meeting at 9:08 a.m.

**Approved at a Regular Meeting of the Project Agreement 22 Committee on Thursday,
January 23, 2020.**



Paul D. Jones, Chair

Attest:



Kelly Berry, CMC
Clerk of the Board