



● **Board of Directors**

One Water (Conservation and Local Resources) Committee

8/16/2022 Board Meeting

9-3

Subject

Information on policy alternatives Metropolitan may consider for reducing non-functional turf in its service area

Executive Summary

As a result of the record drought in the Southwest and in response to adopted board policy, staff seeks feedback on policy alternatives to reduce the use of potable water for irrigating non-functional turf in the service area. Non-functional turf is defined by the State Water Resources Control Board (SWRCB) as mowed grass that does not provide a recreational or community gathering purpose. Commonly this refers to commercial, industrial, and institutional properties (including multi-family housing and Homeowners Association-managed property.)

Staff seeks Board input and direction on the following policy alternatives to address non-functional turf:

1. Use existing or expanded financial incentives to encourage the replacement of non-functional turf.
2. Promote a model ordinance for voluntary adoption by local governments or agencies that bans watering of non-functional turf with potable water.
3. Establish a water allocation method that preferentially curtails imported water supply use on non-functional turf during a declared emergency.
4. Seek state legislation to permanently ban irrigation of non-functional turf with potable water (either statewide or within Metropolitan's service area) modeled after the SWRCB emergency regulation.

Staff believes that a combination of these actions would improve long-term water supply reliability for the region. Staff will return to the Board with preferred alternatives for further action in September 2022.

Details

Background

Due to severe and persistent drought conditions, Metropolitan's Board declared a regional drought emergency in November 2021 and adopted an Emergency Water Conservation Program in April 2022 to address supply shortages in the State Water Project-dependent areas. Conditions on the Colorado River are equally concerning as both Lake Mead and Lake Powell are at their lowest historical levels. In June 2022, the U.S. Bureau of Reclamation Commissioner Camille Touton announced that Colorado River water users need to reduce use by two- to four million-acre feet. It is clear that agencies need to permanently reduce potable water demand for all non-essential uses.

In November 2021, Metropolitan's Board adopted legislative priorities and principles for 2022 that included "support administrative/legislative actions and funding to improve water use efficiency through non-functional turf management." Metropolitan's current commercial Turf Replacement Program (TRP) is the focus of non-functional turf management activities. Following board direction, staff seeks to expand the options available for non-functional turf management.

In May, as part of the state's drought response, the SWRCB adopted an emergency regulation banning the irrigation of non-functional turf with potable water for all commercial, industrial, and institutional (CII) properties throughout the state. This emergency regulation expires on June 14, 2023. In adopting this regulation, the state

acknowledged that irrigation of turf that is not used for recreational or community gathering purposes is an unnecessary use of water.

Southern California residents removed more than 200 million square feet of turf through Metropolitan's TRP. A recent study by Dr. Andrew Marx indicates that 96 percent of properties in Metropolitan's service area which convert from turf to California Friendly landscaping through Metropolitan's TRP maintain that landscaping over time. In addition, Metropolitan's multiplier study found that for every 100 landscapes that are installed using incentives, another 134 are installed without the use of an incentive payment. Both studies focused on residential properties, but these findings can be extended to commercial properties as well. It is expected that there would be a lower rate of reversion on commercial properties due to less frequent property sales. Therefore, the permanent ban on irrigation of non-functional turf and the continued effort to convert these areas to California Friendly landscaping would constitute a significant reduction in potable water demand.

Policy Alternatives to Reduce Potable Water Irrigation of Non-Functional Turf

Staff identified four primary policy alternatives that could address the problem of continued use of potable water for irrigation of non-functional turf. These alternatives could be deployed singly or in combination.

Use existing or expanded incentives

Metropolitan's TRP provides \$2 per square foot to CII properties that remove their turf and replace it with California Friendly landscaping. Recently awarded grants from the California Department of Water Resources will temporarily increase this incentive to \$3 per square foot. Metropolitan is also pursuing additional grants to further extend this higher incentive amount. Importantly, the current TRP essentially removes non-functional turf in the CII sector.

Since 1999 the Southern Nevada Water Authority (SNWA), a leader in turf removal incentive rebates, removed 200 million square feet of grass and saved 152 billion gallons of water through their own WaterSMART Landscapes program. However, in the last ten years, SNWA has seen conservation progress plateau. SNWA continues to invest in a turf replacement rebate, but they have noted diminished activity due to a decrease in CII customer participation. Additional incentives may be an option for SNWA if they want to continue to make gains in turf removal in the CII sector.

To make progress similar to SNWA, but in Southern California, Metropolitan's Board could consider additional funding for CII turf replacement for the duration of the State's emergency regulation. The synergy of prohibited watering and enhanced incentives could lead to the substantial conversion of turf. After that date or another date determined by the Board, the incentive would return to previous levels or could be phased out entirely should statewide regulations take effect requiring non-functional turf removal. The purpose of this modification would be to encourage early adoption and participation in the turf removal program prior to ordinance and/or legislation adoption.

Promote a model ordinance

Staff could prepare draft language for an ordinance permanently banning the irrigation of non-functional turf with potable water. This language could include a recommendation requiring the removal of non-functional turf by a certain date and the prohibition of the installation of turf for all new development. Staff would conduct a legal review of any proposed language and consult with member agencies to develop the language. Staff would also bring to the Board for future action a resolution encouraging the adoption or insertion of this language by municipalities in their water conservation ordinances. In addition, with Board approval, staff could create a new enforcement category within the Member Agency Administered (MAA) program allowing member agencies to submit projects to fund non-functional turf ordinance/legislation enforcement activities.

Incorporate water allocation methodology that excludes imported water use on non-functional turf in emergencies

During a water supply emergency, California Water Code Section 350 et seq. allows the adoption of regulations and restrictions to "conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection." In an emergency, Metropolitan could develop a water allocation methodology that identifies and prioritizes types of outdoor water use and excludes water needed for non-functional turf irrigation from any allocation of supply. Metropolitan is currently pursuing a study with Dr. Marx

to calculate all non-functional turf on CII property within the service area. The study is expected to be completed by the end of 2022. This methodology, however, will require additional data and coordination with the member agencies to determine if discriminating between water uses in this manner is a viable policy alternative. Metropolitan may need to supply additional funding or resources to assist with the data collection effort.

Seek State legislation

Another policy alternative is to seek state legislation that would ban non-functional turf in the CII sector by a certain date. This legislation could be sought for statewide application, or for Metropolitan's service area alone. The first-ever legislation banning non-functional turf was enacted in 2021 through Nevada Assembly Bill 356. This legislation bans the irrigation of non-functional turf with water from the Colorado River (essentially limiting it to the service area of SNWA). In January 2022, the SNWA board approved the recommendations of the Non-functional Turf Removal Advisory Committee, which included final definitions of functional and non-functional turf. SNWA is currently allocating additional staff and resources to meet the anticipated increase in demand for their WaterSMART Landscapes rebate as they work to incentivize non-functional turf removal ahead of the 2027 deadline. SNWA expects to outlay over \$300 million in incentives over the next five years using capital funding and a \$5 million grant from the U.S. Bureau of Reclamation.

On June 10, 2022, the SWRCB ban on irrigating non-functional turf on CII properties went into effect. The current emergency regulation provides a window of opportunity to introduce similar legislation in California. Governor Newsom and the SWRCB have acknowledged that banning irrigation of non-functional turf with potable water is an effective and appropriate action to decrease water demand from a non-essential use. Legislation that requires a statewide ban would take the burden off cities and municipalities to pass local ordinances and provide additional enforcement authority. In addition, new legislation would provide clear messaging that would ensure higher levels of compliance. If directed to do so, staff will begin the process to develop legislation which could be submitted in the next legislative cycle.

Next Steps

Based on board feedback, staff will refine the policy options and begin implementation of one or a combination of them.

Use existing or expanded incentives

Staff would develop and propose a revised TRP with a temporarily increased incentive and de-escalating structure. Staff would also develop an estimate of program length based on current budget availability and a projection of the budget needed to achieve program goals.

Promote a model ordinance

Staff would consult with member agencies to review and refine the language based on their feedback and further legal review. Staff would bring to the Board for future action a resolution encouraging the adoption or insertion of this language by municipalities in their water conservation ordinances. Finally, staff would bring back for board approval a new enforcement category within the MAA program allowing member agencies to submit projects to fund NFT ordinance/legislation enforcement activities.

Incorporate water allocation methodology that excludes imported water use on non-functional turf during an emergency

Staff would further develop and scope the effort to gather needed information to delineate between outdoor water uses. Staff will work with member agencies to determine a timeline for data collection and submittal.

Seek state legislation

Staff would begin the process to develop legislation which could be submitted in the next legislative cycle.

Policy

By Minute Item 52802, dated April 26, 2022, the Board adopted a resolution which declared a Water Shortage Emergency Condition and established an Emergency Water Conservation Program for the State Water Project dependent area.

By Minute Item 52579, dated November 9, 2021, the Board adopted Legislative Priorities and Principles for 2022 that included improving water efficiency through non-functional turfgrass management.

By Minute Item 52581, dated November 9, 2021, the Board adopted a resolution which declared specified emergency conditions within the Metropolitan service area.

By Minute Item 49542, dated September 10, 2013, the Board authorized new conservation program initiatives.

By Minute Item 49068, dated May 8, 2012, the Board authorized changes to Metropolitan’s water conservation program.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

Fiscal Impact

Any increase in the Turf Replacement Program incentive would increase spending from the approved FY 2022/23 and FY 2023/24 demand management budget and may potentially require additional funding to be allocated at a level deemed appropriate by the Board.

	8/12/2022
_____ <i>Brad Coffey</i> Manager, Water Resource Management	<i>Date</i>

	8/12/2022
_____ <i>Adel Hagekhalil</i> General Manager	<i>Date</i>