



Special Committee on Ag & Tribal Partnerships

Water Savings Incentive Program (WSIP) for Agricultural Customers

Item 6b

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Water Savings Incentive Program (WSIP) Overview



- Metropolitan's "Pay for performance" conservation incentive program for customized, non-residential projects:
 - Process improvement
 - Retrofit existing equipment
 - Contract water management services
 - Agriculture & landscape irrigation systems upgrades
- Incentive calculated at \$195/AF of lifetime water savings, up to 10 years
 - Applicants receive up to 50% of payment after installation, remaining incentive after one year of monitoring
 - Depending on the project type, applicants can opt for non-monitored incentive based on \$150/AF of lifetime water savings

WSIP Overview (continued)

- Budget approximately \$1M annually
- Average 20-25 applications per year
- Member agencies can provide co-funding
- Administered through SoCalWaterSmart



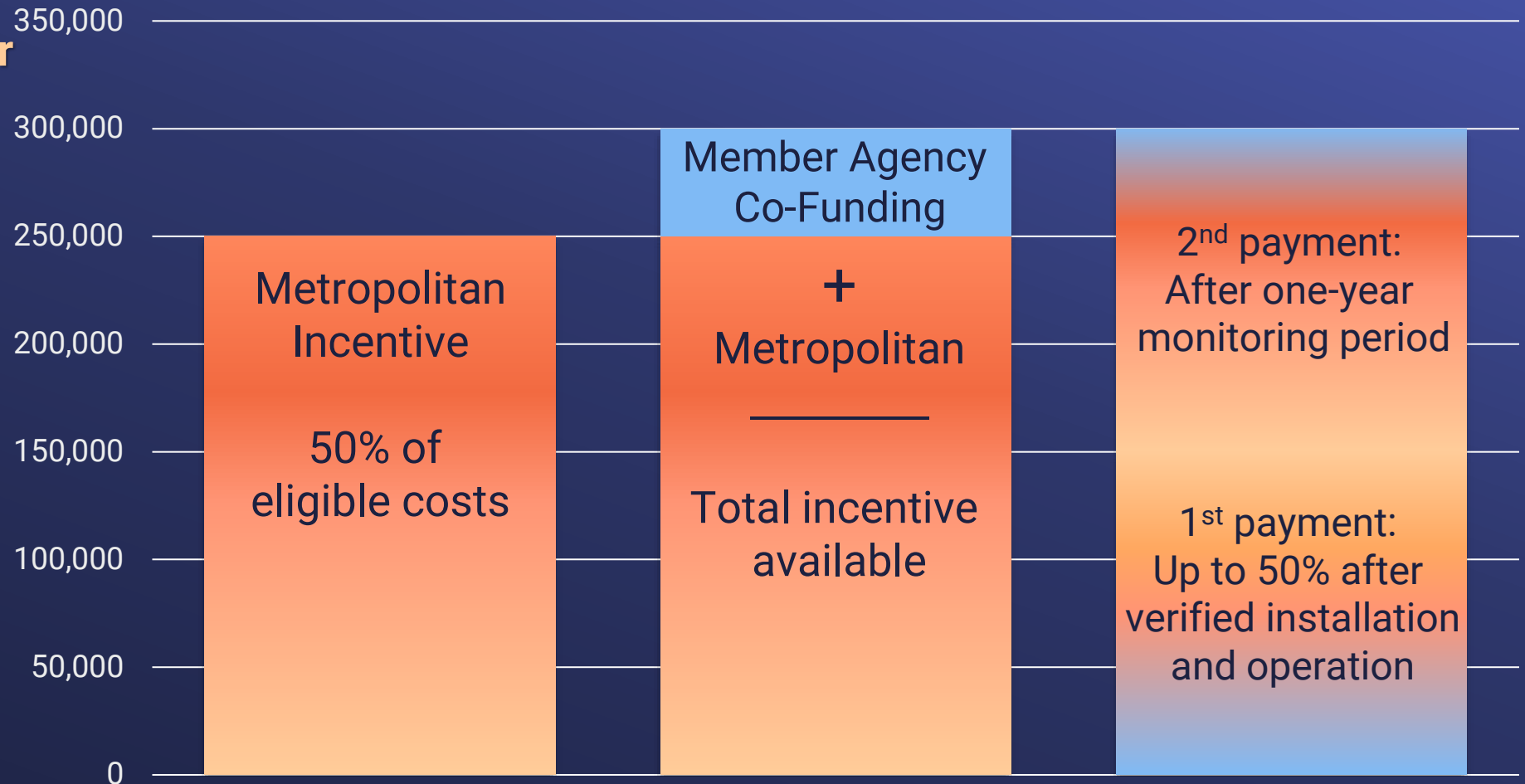
WSIP Project Example

Project	Wholesale plant nursery captures its own irrigation runoff, treats it on-site through natural processes, stores water on-site and re-uses for irrigation
Calculated water savings	1,180M (1.2B) gallons Over 10 years
Eligible Project Costs	~\$715,000
Total Incentive	~\$460,000 (\$357,500 MWD + \$100,000 WMWD)



Incentive Calculation Example and Timing of Payments: \$195/AF

- 500M gallons saved over 10 Years
- \$300K incentive based on estimated/projected water savings
- \$500K eligible project costs
- \$250K base rebate (50% of eligible costs)
- \$50K Member Agency co-funding



Conservation Program Advisory Committee (PAC) discussion

Considerations:
Agricultural
Sector
Participation in
WSIP

- Standardized conservation incentive for swapping one crop with another, less water-intensive crop or “crop swap”
- Extended lifetime water savings
- Higher percentage of up-front total payment
- Reduction/elimination of the monitoring period
- Alignment with turf replacement incentive

Typical crop swaps:

Avocado to Winegrapes

Citrus to Winegrapes

Avocado to Citrus

Rootstock Upgrade



Photo Credit: Rancho Water



Photo Credit: Rancho Water

Recent WSIP Modifications For Crop-Swap Projects

WSIP Adjustments for Agriculture Sector

PAC and Management Approved Changes

Metropolitan Crop Swap Rebate Options			
Type	Average Annual AF Savings	Option 1 (Monitored one year @ rate \$195/AF)	Option 2 (Non-monitored @ rate of \$150/AF)
		Approximate maximum incentive per acre	
Avocado to Winegrapes	3.24	\$18,980	\$14,550
Citrus to Winegrapes	2.24	\$13,155	\$10,085
Avocado to Citrus	1.50	\$8,880	\$6,745
Rootstock Upgrade	3.23	\$18,940	\$14,525

- **Standard WSIP incentive rate**
 - Turf rate exceeds the Board-approved Conservation rate and would require Board approval
- **Calculated for a 30-year life rather than 10-year life**
 - Reasonable increase to lifetime water savings for incentive calculation
 - Many citrus and grape stocks have production life of 30+ years

WSIP for Agriculture

In Summary

- WSIP has been successful in capturing water savings through unique, customized projects
- Adjustment made to WSIP based on information and feedback from member agencies via the PAC process
- Staff working with agencies involved in the current CropSWAP program; coordinating efforts
- Analyze process and review results; determine if further adjustments may increase participation in the Ag sector

