



● **Board of Directors**
Water Planning and Stewardship Committee

11/9/2021 Board Meeting

7-10

Subject

Authorize implementation of a new Municipal Leak Detection and Repair Grant Pilot Program; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

This letter seeks authorization to implement a proposed municipal agency leak detection and repair grant pilot program to increase water savings throughout the region. On August 17, 2021, Metropolitan's Board of Directors declared a Condition – 2 Water Supply Alert. In response to this declaration and California's ongoing drought conditions, staff developed a series of proposed modifications to conservation programming. These changes provide benefits to the region by offering program assistance and water savings in critical areas such as leak detection, public agency assistance, low income communities, and turf replacement.

Details

Background

Conservation and water use efficiency have played a key part in Metropolitan's Integrated Water Resources Plan (IRP) for decades. Metropolitan's regional conservation program is an important tool to help meet the conservation goals established by the IRP. This program provides financial incentives to encourage the installation of drought tolerant landscapes and water-saving fixtures and devices.

Metropolitan seeks to provide public agency assistance in water conservation. Leak detection and repair is an important component of urban water efficiency as it reduces the amount of water lost to beneficial use by leaks in the distribution system. This lost water also results in a loss of revenue for a water agency, as it is water that has been pumped and treated but did not reach the customer for sale. The proposed pilot program would produce water savings and potential revenue for participating agencies.

For the past two years, Metropolitan partnered with the Municipal Water District of Orange County on a novel distribution system leak detection and repair pilot program through the Member Agency Administered Program (MAAP). This project provided financial assistance for finding and repairing municipal distribution system leaks as a possible water conservation measure. Program data from this pilot showed sufficient benefits that in January 2021 staff expanded the ability of member agencies to conduct water main leak detection with a standardized incentive of \$170 per mile of distribution system lines tested. The program described here would expand leak detection and repair beyond the MAAP into a grant program for each member agency.

Beyond the immediate conservation needs of the current drought, water loss reduction is an important element of the comprehensive "Conservation as a California Way of Life" legislative framework. The California legislature enacted SB 555 requiring water agencies to conduct distribution system audits to identify water loss. SB 555 also directs the State Water Resources Control Board (State Water Board) to develop rules requiring urban retail water suppliers to meet water loss targets. Water loss audits performed through mathematical calculations are the first step in helping an agency identify the volume of losses and areas in the distribution system where those losses may be occurring. The Department of Water Resources collects water loss data annually from water suppliers. Per SB 555, the State Water Board is currently in the process of developing Water Loss Performance Standards for urban retail water suppliers with regulations expected to be adopted in late 2021.

Proposed Approach

The primary objective of this program is to increase water savings and efficiency in municipal distribution systems through leak detection and repair. This pilot program will be budgeted at \$2.6 million, which will be paid during the current and next fiscal years due to individual project timing. The budgeted amount is based on a \$100,000 maximum for each member agency. Member agencies will submit an application for a proposed leak detection or repair project. The application may include: (1) project description; (2) budget; and (3) maps of project area. The project will be evaluated by a panel of water efficiency team staff members to ensure that it meets program requirements before it is approved. Upon completion of the project, member agencies will provide a report containing information such as: (1) leak detection findings; and (2) estimated water savings.

Next Steps

If approved by the Board, staff will implement the municipal leak detection and repair grant pilot program. Staff will monitor data from the program and report progress and results to the Board.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 50358, dated January 12, 2016, the Board adopted the 2015 Integrated Water Resources Plan Update, as set forth in Agenda Item 8-3 board letter.

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.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA because they involve continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize implementation of the Municipal Leak Detection and Repair Grant Pilot Program.

Fiscal Impact: The budget for the 2020 and 2021 budget cycle is \$86 million, and these changes are intended to accelerate participation to achieve the budgeted amount. All expenditures for the Municipal Leak Detection and Repair Grant Pilot Program would remain within the budgeted amount.

Business Analysis: The proposed changes would aim to increase water savings and participation in conservation programs and activities.

Option #2

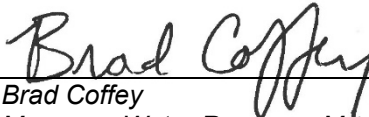
Take no action.

Fiscal Impact: None

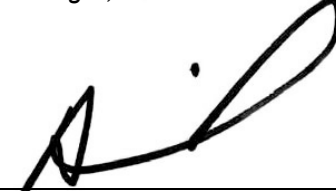
Business Analysis: Staff would consider other initiatives to increase water savings during the current drought conditions.

Staff Recommendation

Option #1



Brad Coffey 10/28/2021
Manager, Water Resource Management *Date*



Adel Hagekhalil 10/28/2021
General Manager *Date*

Ref# wrm12683117