



# Authorize Implementation of Modifications to Conservation Programs

Water Planning and Stewardship Committee  
Item 7-9  
November 8, 2021

# Objectives For Potential New Programs

- Dial up program activity to address the drought
  - Response to Governor's call to reduce water use
  - Support additional programs as part of Regional Drought Emergency
  - Leverage state drought funding or grant funding
- Enhance conservation in the following sectors:
  - Underserved Communities
  - Public Agencies
  - Commercial, Industrial, Institutional

# Objectives for Modifying Existing Programs

- Seek large volume of water savings in short time
- Maintain program familiarity with agencies and public
  - Reduce administrative complexity
  - Continue emphasis on outdoor efficiency
- Emphasize public agency programs to demonstrate agency leadership and action during drought
- Continue to emphasize outdoor efficiency and water conservation

# Recommended Modifications of Existing Conservation Programs

# Modification of Turf Replacement Program

- For Commercial and Residential
  - Temporary increase from \$2 to \$3 per square foot (only if additional funding becomes available)
  - All other requirements/controls remain in place
  - Past programs demonstrate higher incentive = more activity
  - Earned media and public awareness campaigns will also increase activity
  - Allow additional time for project completion if watering restrictions impede projects





# Additional Assistance for Public Agencies

- Temporary changes
  - Increase rebate level from \$2/sq. ft. to \$3/sq. ft.
  - Increase max area from 50,000 to 200,000 sq. ft.
  - Changes sunset at end of next biennium
- Provide “concierge” service assisting public agencies with project design, implementation and rebate application
  - Amend contract for current MWD consultants
- USBR grant application submittal for public agency turf program
  - Additional \$1/sq. ft. above turf rebate amount
  - Funding for assistance program



# Modification of Member Agency Administered Program (MAAP)

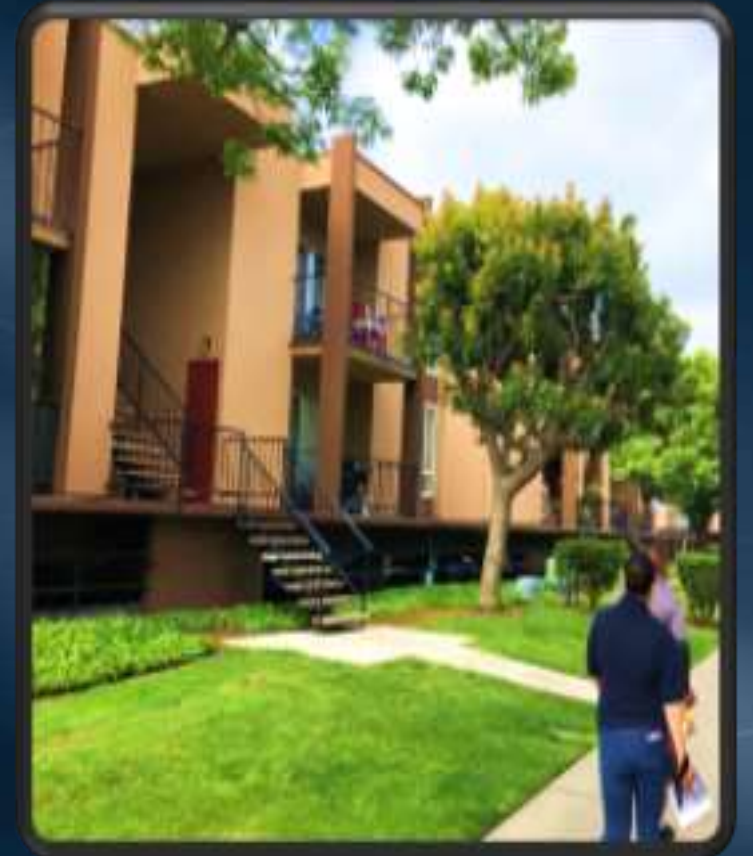
- Create Public Agency category for MAAP funding
  - Comparable to the current underserved community category – not held to \$195/acre foot benefit level
  - Allows 100% of MAAP funding for a public agency project





# Modification of Pre-1994 Multi-Family Toilet Replacement Rebate Program

- Current program funding replaces 10,000 toilets per budget cycle
  - First two offerings fully subscribed on first day
- Increase to 20,000 toilets per cycle and two cycles per fiscal year
- First launch planned for early 2022





# SoCal Gas Direct Install Program Expansion

- Current MOU for direct installation of high-efficiency clothes washers for income-qualified customers
- Expand program to include additional water saving measures:
  - Toilets
  - Showerheads
  - Aerators
  - Irrigation Controllers



# Budget Considerations—Current Status

	Paid <sup>(1)</sup>	Committed <sup>(2)</sup>
Regional Devices	\$5.0M	\$4.2M
Member Agency Administered	\$1.7M	\$9.2M
Turf Replacement	\$9.9M	\$8.3M
Advertising	\$0.1M	\$1.0M
Other	\$1.9M	\$1.1M
<b>TOTAL</b>	<b>\$18.6M</b>	<b>\$23.8M</b>

Bi-annual authorization for FY20/21 & FY21/22 was \$86M

(Without new programs, expenditures for the biennium are estimated at \$47M)

(1) As of 7/1/2020 - 8/31/2021.

(2) Committed dollars as of September 10, 2021.

# Budget Considerations Moving Forward

- Managing Expenditures and Program Activity During Severe Drought
  - Drought emergency expected to result in increased program activity and reduced water transactions
  - Outdoor watering may be severely constrained in portions of service area
    - Notify applicants that project completions may be delayed due to watering restrictions
  - State funding available for demand management activities
  - \$1/square foot funding increase (other than public agencies) conditioned upon receipt of external funding
    - Reduces fiscal exposure during period of reduced water transactions

# Budget Considerations for FY21-22—New and Revised Programs

Category	FY20/21 Actual	FY21/22 Projected	Proposed Programs	Biennium Expenditures
Regional Devices	\$4.5 M	\$6.5 M		\$11 M
Member Agency Administered	\$1.5 M	\$7 M	\$2.5 M	\$11 M
Turf	\$8.6 M	\$10 M	\$2 M (public agency)	\$20.6 M
Advertising	\$0.104 M	\$1 M		\$1.1 M
Other*	\$2 M	\$2.5 M		\$4.5 M
Flow Monitoring Pilot	--	\$0.6 M		\$0.6 M
Multi Family Property Toilet Replacement	--	\$2.75 M	\$5.5 M	\$8.75 M
SoCal Gas Program Expansion			\$1.5 M	\$1.5 M
Muni Leak Detection/Repair Pilot			\$2.6 M	\$2.6 M
<b>MWD BUDGET TOTAL</b>	<b>\$16.7 M</b>	<b>\$30.4 M</b>	<b>\$14.1 M</b>	<b>\$61.65 M</b>

Bi-annual authorization for FY20/21 & FY21/22 is \$86M

\*Other includes (landscape classes, surveys, all inspections exclude Turf Replacement inspections, pilots/studies, WSIP, ICP



# Summary

- Recommendations for Immediate Program Modifications
  - Turf Replacement Program Expansion (+\$1/sq ft pending external funding)
  - Public Agency Turf Replacement Program Expansion
  - Public Agency MAAP program
  - Pre-1994 Multi-Family Toilet Replacement Program Expansion
  - SoCal Gas Direct Install Program Expansion
- Biennial spending for all programs not to exceed Board authorized amount
- Seek external funds to support or expand these programs

# Board Options

## ● Option #1

### ● Authorize changes to the Turf Replacement Programs

- Authorize increase of the Turf Replacement Program incentive for public agency projects to \$3 per square foot
- Authorize increase of the square footage maximum to 200,000 square feet for public agency projects
- Authorize turf replacement public agency assistance program

### ● Authorize changes to the Member Agency Administered Funds Program to include a public agency local project category

### ● Authorize expansion and changes to the Pre-1994 Multi-Family Property Toilet Replacement Program

- Authorize additional funding cycle for the installation of 20,000 toilets
- Authorize change to eliminate tiered incentive and offer flat incentive of \$250 for all eligible toilets

### ● Authorize expansion of SoCal Gas Direct Install Program

## ● Option #2

### ● Take no action

# Staff Recommendation

- Option #1

