

- **Board of Directors**
Water Planning, Quality and Resources Committee

March 13, 2001 Board Meeting

10-4

Subject

Report on member agencies' recommendations for Metropolitan's Water Conservation Program

Description

Beginning in August, member agencies' and retail agencies' conservation staff began discussions to determine what conservation services they would like Metropolitan to provide. Through a series of six facilitated workshops, approximately 40 agency conservation staff members developed a document, which they called "Water Use Efficiency Programmatic Guidelines Statement of Agreement"(Document).

The Document was developed by the agencies' conservation staff to serve as a framework, which could be used as a guideline to develop any new policies to bring back for the Board's consideration. While most agencies involved in this process support the final document, not all agencies do.

The Document has three main themes -- reaffirming the commitment of Metropolitan and its member agencies to the continuation of a strong water conservation program; recommending policies to guide Metropolitan's procedural implementation of its conservation program; and recommending input to be incorporated into Metropolitan's Integrated Resources Plan and the conservation portion of the stewardship rate. **Attachment 1** characterizes key components of the Document and how they could be implemented under existing policies and administrative practices. **Attachment 2** is the complete Document.

Key issues addressed in the Document include the following:

- Increased communication;
- Long-term commitment and program resources, including funding assistance and staffing, needed to meet Metropolitan's conservation goals;
- Streamlined administrative process and requirements for member and retail agency access to Metropolitan financial and technical support;
- Specific services provided by Metropolitan including development of pilot projects, region-wide programs, product testing and advocacy for conservation at state and national levels;
- Differentiating core and for-fee optional services;
- Input from member agencies on annual program needs and priorities; and
- Pursuit of additional outside funding.

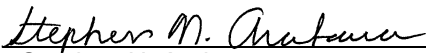
Staff has analyzed the Document and found that the majority of the recommendations can be implemented under existing policy or can proceed with existing administrative processes. There may be some areas that require refined Board policies. Metropolitan's conservation staff will continue working with member agencies' conservation staff, through continued periodic meetings, to develop a detailed implementation plan. As an initial step, staff and agency conservation coordinators are meeting to discuss improvements to Metropolitan's ultra-low-flush toilet program. Staff has also begun developing this year's plan and budget with member agencies' conservation staff having input.

Policy

The attached table (**Attachment 1**) characterizes the key components of the Document and whether each falls under existing Board-approved policies.

Fiscal Impact

Many of the requests can be implemented within our existing budget and staffing levels. Metropolitan's pursuit of outside funding could support additional projects with regional benefit and offset costs for expanded research and development.



Stephen N. Arakawa
Manager, Water Resource Management

2/28/2001
Date



Ronald R. Jester
General Manager

2/28/2001
Date

Attachment 1 – Conservation Credits Program

Attachment 2 – Water Use Efficiency Programmatic Guidelines Statement of Agreement

BLA #774

	<u>Board Policy (B) or Administrative Practice (A)</u>	<u>Existing Policy or Administrative Practice</u> (may require expansion or change)
Conservation Credits Program (CCP)		
CCP Criteria	B	By Minute Item 37324, the Board established financial incentives for water conservation.
	B	By Minute Item 38290, the Board increased the incentive amount.
Menu-type Incentives	B	By Minute Item 40118, the Board established a flat-rate funding for ultra-low-flush toilets.
	B	By Minute Item 40343, continued ultra-low-flush toilet flat-rate incentive.
	B	By Minute Item 41550, established flat-rate amount for residential surveys.
	B	By Minute Item 41841, the Board established a menu of items for funding of amount for high efficiency surveys.
	B	By Minute Item 42609, the Board established a menu component of the Commercial, Industrial, and Institutional Program.
	B	By Minute Item 43397, the Board established a flat-rate funding clothes washers.
Funding for emerging needs	B	By Minute Item 37324, the Board authorized funding new and emerging technologies
Region-wide programs	B	By Minute Item 38770, the Board authorized region-wide showerhead and toilet dam retrofit program.
	B	By Minute Item 38834, the Board authorized expansion of region-wide program.
	B	By Minute Item 39795, the Board authorized region-wide ultra-low-flush toilet program.
	B	By Minute Item 39881, the Board authorized region-wide school showerhead program and Water-Wise Program.
	B	By Minute Item 43928, the Board authorized the Commercial, Industrial, and Institutional region-wide program.

Pilot Programs and Feasibility Studies		
Design, evaluate, analyze savings and cost-effectiveness	B	By Minute Item 37324, the Board authorized projects including technology development and research.
Expedite approval and menu funding amount	A	Can Proceed Under Existing Administrative Practice
Provide aid to agencies in defining and interpreting implementation	A	Can Proceed Under Existing Administrative Practice
Determine longevity of savings, saturation levels, and any other demand factors	B	By Minute Item 37324, the Board authorized projects including technology development and research.
Funding		
Get input from agencies on budget and priorities	A	Can Proceed Under Existing Administrative Practice
Pursue outside funding	B	By Minute Item 43747, the Board authorized partnerships for conservation programs with utilities and other agencies.
Provide application information on available outside funding	A	Can Proceed Under Existing Administrative Practice
Streamline administrative process		
Access to funding and technical support	A	Can Proceed Under Existing Administrative Practice
Multi-year contracts	A	Can Proceed Under Existing Administrative Practice
Cost-share dues for CUWCC	B	By Minute Item 43496, the Board authorized paying half of dues for CUWCC members within its service area.
Product testing and other research and development		
Lab testing, surveys, other research on products, technologies, and practices	B	By Minute Item 37324, the Board authorized projects including technology development and research.
Distribute information on these activities and the outcome	A	Can Proceed Under Existing Administrative Practice
Participate with standard setting of products	B	By Minute Item 37324, the Board authorized projects including technology development and research.
Regional advocate		
Regulatory environment	A	Can Proceed Under Existing Administrative Practice
State and national advocate	A	Can Proceed Under Existing Administrative Practice

Entities such as CUWCC, CALFED, DWR, USBR, AWWA and organizations that develop standards	A	Can Proceed Under Existing Administrative Practice
Public awareness in general	A	Can Proceed Under Existing Administrative Practice
Communication and customer service		
Develop communication strategy for member agencies	A	Can Proceed Under Existing Administrative Practice
Regional meetings, at least quarterly	A	Can Proceed Under Existing Administrative Practice
Periodic updates, including information on pilots and studies	A	Can Proceed Under Existing Administrative Practice

**Water Use Efficiency
Programmatic Guidelines
Statement of Agreement**

December 19, 2000

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Executive Summary

The following Water Use Efficiency (WUE) statement of agreement reaffirms the commitment of MWD and its member and retail agencies to conservation and recommends programmatic guidelines for inclusion in MWD's strategic plan and the conservation portion of MWD's Water Stewardship Rate. Embodied in that commitment is the acknowledgement that implementation of WUE measures is the responsibility of the member and retail agencies, with support provided by MWD.

These guidelines acknowledge program resources such as funding, technical assistance and staffing, as well as simplified administrative processes, necessary to facilitate agency efforts to achieve WUE measures and goals established by legislative mandate, CUWCC signatory requirements and regional supply demands.

It is requested that the MWD Board adopt the following programmatic guidelines as part of MWD's Conservation Program:

- Provide long-term commitment and program resources, including funding, technical assistance and staffing, necessary to meet conservation targets established through legislative mandate, the BMPs, the IRP and the strategic plan.
- Streamline the administrative process and requirements for member and retail agency access to MWD financial and technical support.
- Provide funding and technical support to member and retail agencies to develop pilot programs and feasibility studies of regional merit.
- Work with member and retail agencies to develop and implement new and improved region-wide programs.
- Provide resources for product testing and other research and development in relation to water use efficiency
- Serve as a regional advocate for conservation at state and national levels in relation to water use efficiency.

I. Introduction

MWD and its member and retail agencies are engaging in the process of developing a new strategic plan and rate structure. As a result, MWD and its member and retail agencies have collaboratively proposed conservation guidelines for the MWD Board of Directors to consider in its deliberations of these important policies.

Conservation guidelines contained herein will support member and retail agencies' efforts to implement the measures needed to meet conservation goals established by federal, state and local entities. A required element of the Urban Water Management Plan is the implementation of "water demand management measures" (CA Water Code Sec. 106301 (f)). The California Water Code directly mandates the active pursuit and implementation of these conservation measures. These conservation measures are also reflected in the Best Management Practices (BMPs) set forth in the MOU of the California Urban Water Conservation Council (CUWCC). As a signatory of this MOU, MWD has committed to actively implement the BMPs which also includes active support of member and retail agencies' efforts to implement the BMPs. Through legislative mandate, SB 60 instructs MWD to place increased emphasis on conservation and to report in a public hearing on its progress. MWD's Strategic Plan recognizes the increased focus on conservation with language about "stewardship of resources."

While the WUE statement of agreement focuses on MWD support, the signatories acknowledge that the achievement of cost-effective conservation is a shared responsibility of MWD, its member and retail agencies within its region.

II. Program Administration

The administrative and overhead costs borne by MWD are an element of core programs and services. Signatories may wish to explore the development of additional optional (reimbursable) programs and services as a means of introducing more flexibility into MWD's water conservation program. The following comprise the agreed upon core programs and services:

A. Programs

1. Conservation Credits Program (CCP)

The CCP is the framework MWD utilizes to distribute funding to member agencies for local implementation of water use efficiency programs. MWD will take necessary steps to ensure the continued success of the CCP, including the following:

- Review of CCP criteria
The funding level of \$154 per acre-foot saved or 50% of the project cost was developed in the late 1980s and should be reviewed and updated periodically to create an incentive necessary to meet the IRP goals.

- Encourage use of menu-type incentives (e.g. \$60/Ultra Low Flush Toilet, etc.). *As water savings levels for specific efficiency measures are established, a flat funding contribution for each measure should be set to simplify distribution of CCP funding.*
- Flexibility within the CCP to provide technical and funding assistance to agencies for implementing emerging WUE programs. *Some examples might include: Landscape irrigation budgets (BMP #5), Commercial, Industrial and Institutional programs (BMP #9), and Conservation Pricing (BMP #11).*

2. Pilot Projects and Approaches

Pilot projects offer an opportunity to quantify the water savings potential of new technologies, assess practical limitations and provide a basis for new CCP design approaches. MWD will support with funding, design and evaluation.

- Continue to assist with the design and evaluation of statistically measurable pilot projects.
- Expedite approval and reclassification of evaluated, successful pilot projects and new technologies into the “menu program” for CCP funding.

B. Services

1. Technical Research and Support

- Conduct and support ongoing lab testing, surveys and other research methodologies in relation to conservation products, technologies and practices.
- Furnish member and retail agencies with information and updates on research efforts and outcomes.
- Actively participate in entities that establish and/or maintain standards in relation to conservation-related products as well as active interaction with the plumbing industry, manufacturers/vendors and other entities that develop products and technologies relevant to water use efficiency.

2. Measurement and Evaluation

- Aid member and retail agency staff in defining and interpreting implementation practices.
- Provide analysis of reliable water savings and program cost-effectiveness of an efficiency measure.

- Assemble data and, where necessary, conduct field-based assessments of the longevity of water savings, device saturation levels, and other water demand factors.
3. Regional Advocacy
- Advocate a regulatory environment conducive to WUE technologies and standards.
 - Advocate water use efficiency issues at state and national levels.
 - Maintain active representation at meetings, hearings, workshops, etc. pertinent to water use efficiency as well as active participation in entities involved in water use efficiency such as CUWCC, CALFED, DWR, USBR, AWWA, and organizations assigned to develop standards for water efficient plumbing fixtures.
 - Raise public awareness of water supply issues, promoting a water use efficiency ethic and an effective public awareness campaign for water shortage situations.
4. Communication and Customer Service
- Establish and maintain effective and flexible communication strategies with member agencies and through them to retail agencies.
 - Conduct regular communication through regional meetings (held at least quarterly), periodic written or electronic correspondence and personal communication.
 - Provide member and retail agencies with periodic updates, to include identifying member and retail agencies that have obtained MWD and outside funding for pilot programs and studies.
5. Administrative Practices
- Streamline the administrative process and requirements for member agency only access to MWD financial and technical support.
 - Administer conservation programs that demonstrate a regional benefit.
 - Offer multi-year funding contracts to member and retail agencies when feasible.
 - Continue cost share of member and retail agency dues for the CUWCC.

III. Funding Practices

The MWD Board ultimately has discretion in determining the process for allocating funds from the water stewardship fund among member and retail agencies for water conservation programs.

A. Allocation of Resources

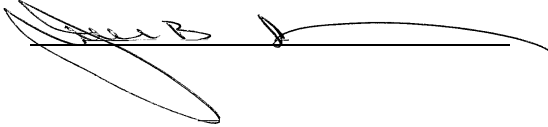
- Solicit input from member and retail agencies on short and long-term conservation program budget allocations and program priorities.

B. Supplementation through Outside Funding

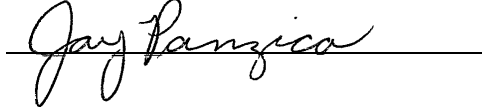
- Pursue actively outside funding, from various sources, to supplement water stewardship funding for conservation programs.
- Provide member and retail agencies with application information for external funding sources.

We, the undersigned, agree with the conservation or Water Use Efficiency (WUE) programmatic guidelines set forth above:

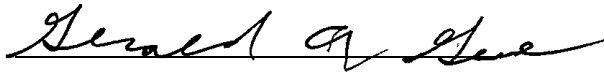
IV. Signatories



John B. Bruden
General Manager
Eastern Municipal Water District



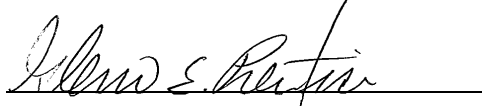
Jan Panzica
Interim General Manager
City of Pasadena



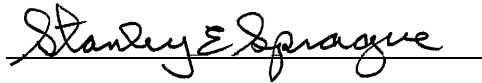
Gerald A. Gewe
Assistant General Manager – Water
Los Angeles Department of Water and Power




Paul D. Jones II
General Manager
Irvine Ranch Water District



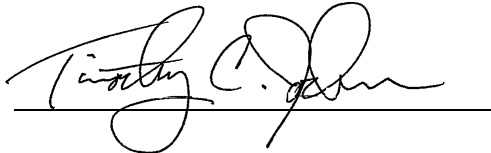
Glenn E. Prentice
Water Utilities Director
City of Corona



Stanley E. Sprague
General Manager
Municipal Water District of Orange County



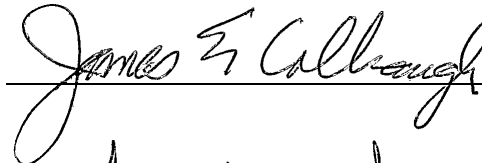
Richard W. Atwater
General Manager
Chief Executive Officer, Inland Empire



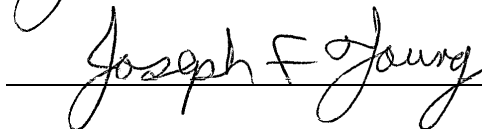
Timothy C. Jochem
General Manager
Upper San Gabriel Valley Municipal Water District



Craig Perkin
Director of Public Works and Environment
City of Santa Monica




James E. Colbaugh
General Manager
Las Virgenes Municipal Water District



Joseph F. Young
Vice President
Southern California Water Company



Donald R. Kendall
General Manager
Calleguas Municipal Water District



Richard W. Hansen
General Manager
Three Valleys Municipal Water District