

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

February 11, 2003 Board Meeting

9-2

Subject

Adopt policy principles regarding water conservation activities

Description

Since the emergence of conservation programs in the 1980s, Metropolitan has embraced water conservation as an integral part of its regional supply strategy. Southern California recently experienced the driest rainfall year in over 100 years and still maintained uninterrupted supplies as a result of its decentralized supply strategy, which includes an aggressive conservation component. With the quickly changing water supply circumstances brought on by the Colorado River water reductions, the recent passage of SB 221 and SB 610, outstanding CALFED decisions and the need to expand water conservation efforts into new arenas, it is timely for the Board to affirm a comprehensive set of policy principles needed to guide Metropolitan's future efforts in expanding the region's water use efficiency.

More than a decade of effort has established Metropolitan as a national leader in water conservation. Metropolitan led in the statewide adoption of the Best Management Practices for water conservation, effectively influenced the market for the manufacture of low-flow showerheads and ultra-low-flush toilets, educated the public to favor adoption of a conservation ethic and retrofitted millions of devices to save water. Through the combined efforts of Metropolitan, its member agencies and others, there now exists a cadre of water conservation professionals turning water use efficiency concepts into a reality. Metropolitan's efforts demonstrate that the public will participate in programs when offered practical, easy to accomplish goals that benefit themselves and their community.

Metropolitan's accomplishments in water conservation underpin a reputation as a responsible steward of water resources in the eyes of agencies and organizations within California and beyond. This gives Metropolitan greater credibility when engaging in dialogue with numerous stakeholders to craft sound water management practices and impact new legislation.

While great strides in indoor residential water conservation have been made and will continue, valuable opportunities remain in outdoor residential conservation and within the business sector. Opportunities for new partnerships are possible with the following goals in common:

- Reduction of polluted urban runoff
- Deferral of expansion of major sanitation systems
- Expanded use of recycled water
- Fulfillment of the requirements of SB 221 and SB 610 and of regulatory agencies
- Reduction of customer utility bills
- Rediscovery of Southern California's native landscape
- Avoidance of infrastructure and permitting costs for local water/wastewater systems

Metropolitan has the opportunity to build upon its successes by venturing into new directions to achieve synergistic benefits with partners to save water and reduce costs. The purpose of this board letter is to clarify the water conservation initiatives and directions that the Board supports, and provide guidance to staff when formulating new programs, partnerships, activities or legislation.

Attachment 1 lists policy principles that would help guide Metropolitan in pursuing new steps in achieving water use efficiency. Resultant actions, if any, that would require significant new cost commitments or formal adoption of specific policy decisions or legislation would be presented separately for board approval on a case-by-case basis.

Policy

By Minute Item 37324, dated September 1988, the Board established financial incentives for water conservation and authorized funding new and emerging technologies.

By Minute Item 38290, dated May 1990, the Board increased the incentive amount.

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed actions are not defined as a project under CEQA because the proposed actions involve continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed actions in question may have a significant effect on the environment, the proposed actions are not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and adopt all of the proposed water conservation policy principles presented.

Fiscal Impact: None directly, although future budget requests may reflect a need for increased resources to fully implement these policies.

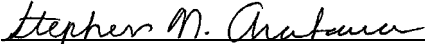

Option #2

Adopt the CEQA determination and selectively adopt some of the policy principles presented.

Fiscal Impact: None directly, although future budget requests may reflect a need for increased resources to fully implement these policies.

Staff Recommendation

Option #1

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|--|-----------|
|  | 1/13/2003 |
| Stephen N. Arakawa Manager, Water Resource Management | Date |
|  | 1/20/2003 |
| Ronald R. Gastelum Chief Executive Officer | Date |

Attachment 1 – Water Conservation Policy Principles of The Metropolitan Water District of Southern California

The Metropolitan Water District of Southern California
Water Conservation Policy Principles

- (1) Support urban retrofit actions that effectively reduce water use by:**
 - (a) Providing cost-effective financial incentives to improve water use efficiency
 - (b) Developing collaborative program partnerships that leverage limited financial resources to maximize collateral water savings benefits such as reduced energy demand and wastewater treatment needs, improved pollution control, and other synergistic benefits that improve program effectiveness
 - (c) Supporting favorable tax relief for installation of water-efficient fixtures, both income tax on the rebate received and sales tax on the equipment purchased
 - (d) Assisting the pursuit of better data collection and processing so as to be able to objectively measure program progress, and identify new savings opportunities

- (2) Support equitable wholesaler and retailer agency responsibilities in implementing cost-effective Water Conservation Best Management Practices (BMPs) within Metropolitan's service area, as well as statewide, through the following actions:**
 - (a) Encouraging voluntary incentives above mandatory requirements
 - (b) Removing state and local barriers to BMP implementation (i.e. archaic plumbing code constraints, home owner association requirements for turf)
 - (c) Statewide public disclosure of agency conservation practices and accomplishments
 - (d) Developing objective standards for water conservation certification as part of a balanced CALFED solution

- (3) Support legislation, regulations and voluntary programs that promote improved water use efficiency in the following areas:**
 - (a) Construction of water efficient buildings and communities
 - (b) State and federal financial assistance to:
 - i) Evaluate new technologies and their implementation via new programs
 - ii) Increase the public's awareness of the need for water use efficiency
 - (c) New product water efficiency standards
 - (d) Implementation and enforcement of ordinances governing:
 - i) Water waste
 - ii) Retrofit of toilets and showerheads to efficient models upon the resale of real property
 - (e) Statewide installation and reading of water meters and customer billing based on recorded usage
 - (f) State and federal efforts and financial assistance to integrate the water use efficiency message into existing and future energy efficiency public outreach

- (4) Provide leadership in advancing new or untapped water conservation practices and technology by taking the following actions:**
 - (a) Participating in professional associations, including the California Urban Water Conservation Council (CUWCC) and supporting member agencies' CUWCC dues
 - (b) Identifying, assessing and introducing new innovative technologies

- (c) Working with manufacturers and their representatives to improve the water efficiency of their processes and facilities
- (d) Participating with citizen/stakeholder groups to advance new ideas in water conservation
- (e) Encouraging research and development of promising devices and activities
- (f) Establishing objective measurements of water savings, cost of programs and devices
- (g) Encouraging and educating the public to adopt beneficial water use efficiency practices

(5) Require water efficiency plans for all new annexation proposals to Metropolitan

(6) Support improved irrigation efficiency by the following means:

- (a) Create a new public ethic that embraces native plants and other water efficient landscapes
- (b) Encourage the availability of native plants and other water efficient landscapes in the marketplace and green industry service sector
- (c) Promote the expanded and efficient use of recycled water for irrigation
- (d) Encourage landscape irrigation device manufacturers to develop and market more efficient equipment
- (e) Support local efforts to increase on-site water retention and reduce runoff

(7) Support increased agricultural water use efficiency