

- **Board of Directors**
Communications, Outreach and Legislation Committee

October 12, 2004 Board Meeting

10-2

Subject

California Friendly Water Efficiency Recognition Program

Description

This letter describes the first phase of a two-step marketing program to recognize homebuilders that have adopted new water-efficiency ethics in homebuilding design and become California Friendly. Several homebuilders and developers have demonstrated strong support for water conservation initiatives put forth by Metropolitan and its member agencies; recognizing them publicly is an important component of our long-term campaign to reduce the region's water use.

In the first phase, the recognition program would consist primarily of public events, media relations activities and supporting collateral development to bring attention to the "early adopters" of Metropolitan and member agency programs to install more efficient landscapes and extra water-efficient devices in new housing developments.

The recognition program is viewed as a valuable, interim step until a more formal program is developed in conjunction with the member agencies for board consideration in 2005. The recognition program would take advantage of short-term publicity opportunities and build further support within the building industry. Both the interim recognition and future programs would emphasize the "California Friendly" title as a means to further enhance a consumer-friendly brand name associated with homes, products and services that meet high standards for water-use efficiency. This program builds upon existing efforts by Metropolitan and its member agencies to educate and influence the public on the latest methods in urban water conservation. The goal through this program and others, is to significantly reduce long-term water-use consumption by affecting public appreciation for both the value of conserving water and the natural beauty that can be accomplished by California Friendly buildings and landscape designs.

Summary

Since November 2003, the Board of Directors has approved three conservation incentive programs aimed at improving water use efficiencies in new homes. The programs provide financial incentives to encourage homebuilders to install water-saving landscapes and fixtures to further reduce water use at single-family homes. As these programs are being implemented and in discussions with many of Southern California's largest homebuilders, it became clear that an additional approach is needed. That is, a well-regarded program that formally recognizes a builder's achievements in constructing water-efficient homes.

Publicly recognizing homebuilders and developers for adopting water-efficient landscapes and installing water-saving devices is important given their influence over the landscape themes of a major new community. This influence is showcased by their choice and installation of front-yard designs, entryway and common area landscape designs as well as by the attention of potential buyers and inquiring non-buyers to model home designs and by the landscape architects hired to match developer-marketing goals. Recognition programs are well established within the energy industry. These include Energy Star programs as well as emerging ones such as those associated with the green building ethic. Builders are increasingly seeking recognition for adopting environmental-related initiatives in design and construction, in large part due to a growing demand by buyers seeking environmentally friendly homes. There are plenty of energy efficiency awards programs, but nothing comparable for water.

The recognition program and subsequent certification program create incentives without rebates (and, consequently, eliminates the need for state or federal grants). Builders have told Metropolitan that they don't necessarily require a rebate or other financial incentive to make their homes water efficient – they just want the formal recognition that they are meeting an accepted industry standard. Public recognition programs provide lasting public visibility for Metropolitan's conservation goals and provide additional support to the consumer advertising campaign that emphasizes the use of native and California Friendly plants.

Staff will return with a recommendation to the Board the option for establishing a formal recognition program, including certification, as well as other options that may be developed in consultation with member agencies. The difference between "recognition" and "certification" programs is that a certification program will require a more involved inspection process, a more complete set of protocols for builders to follow and, most likely, the use of a specialty firm to conduct formal inspections.

California Friendly Recognition Program

The California Friendly recognition program would honor the first set of homebuilders and residential housing developers who have constructed model homes or production tract homes that clearly exceed current building standards in new development. These homes would utilize, at a minimum, the California Friendly landscaping program and one or more of the following: installed weather-sensitive irrigation controllers, installed dual-flush or pressure-assist toilets, or showcase in their model homes high efficiency clothes washers and offer these washers as an upgrade purchase option. Recognition will vary among developments, but generally consist of (1) a special event at the awarded site, (2) signage that the builder can place at the development, (3) general marketing/advertising and media relations support, and (4) public recognition of homebuilders through the bewaterwise.com Web site.

As an interim program, the recognition effort will enable Metropolitan, along with its member agencies, to further refine the elements of the proposed, more formal certification program.

Any costs associated with the interim recognition program will come from within the previously allocated funds in the FY 2004/05 External Affairs budget for outdoor conservation advertising.

Policy

Metropolitan Water District Administrative Code § 4210: Water Conservation

Per Minute Item 45579, dated Nov. 18, 2003, the Board authorized use of financial incentives for new construction.

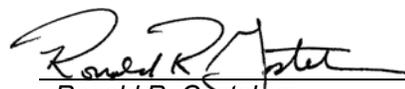
Per Minute Item 45685, dated March 9, 2004, the Board authorized pilot demonstration project for water-efficient model homes.

Fiscal Impact

The recognition program is within budget parameters for the 2004/05 conservation advertising and outreach campaign program.


 Adán Ortega, Jr.
 Vice President, External Affairs

9/21/2004
 Date


 Ronald R. Gastelum
 Chief Executive Officer

9/23/2004
 Date