



● Monthly Conservation Report

Summary

Monthly status report on Conservation Credits Program activity through February 7, 2011

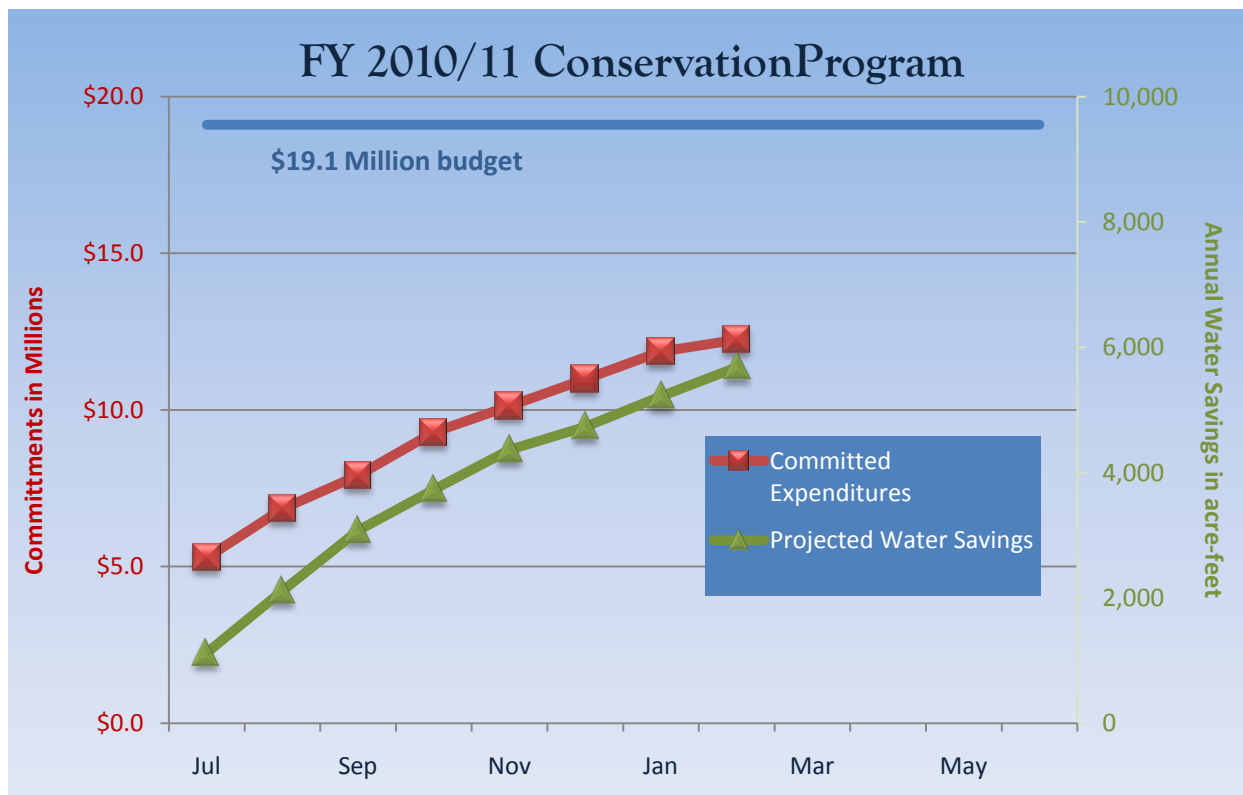
Detailed Report

FY 2010/11 Conservation Program

Metropolitan encourages water use efficiency through a variety of water resource management programs. Metropolitan’s FY 2010/11 conservation program commenced June 1 following board approval of the Water Conservation Plan. The program includes incentive and non-incentive based actions to achieve water savings.

In February, commercial program activity increased as a result of outreach efforts to increase participation, and the residential program continued at a steady pace. Projects approved under the MWD-Funded/MA administered programs are well underway; the majority of invoices are expected later in the fiscal year upon project completion. Of the \$19.1 million budgeted this fiscal year for conservation incentives, about \$12.2 million was committed through February 7, 2011, and about \$4.5 million has been processed for payment. The difference in committed expenditures and processed payments is mainly attributable to the lag time between customers reserving funds and completing the retrofit actions. Commitments include residential customer application requests, commercial customer reservations, approved member agency administered projects, existing contractual commitments, and an approved agricultural conservation project. Water savings based on committed expenditures are projected to be about 5,900 acre-feet annually and total 70,100 acre-feet over the lifetime of the projects.

Figure 1 FY 2010/11 conservation program committed expenditures and projected water savings



A summary of each conservation program element for February 2011 is provided.

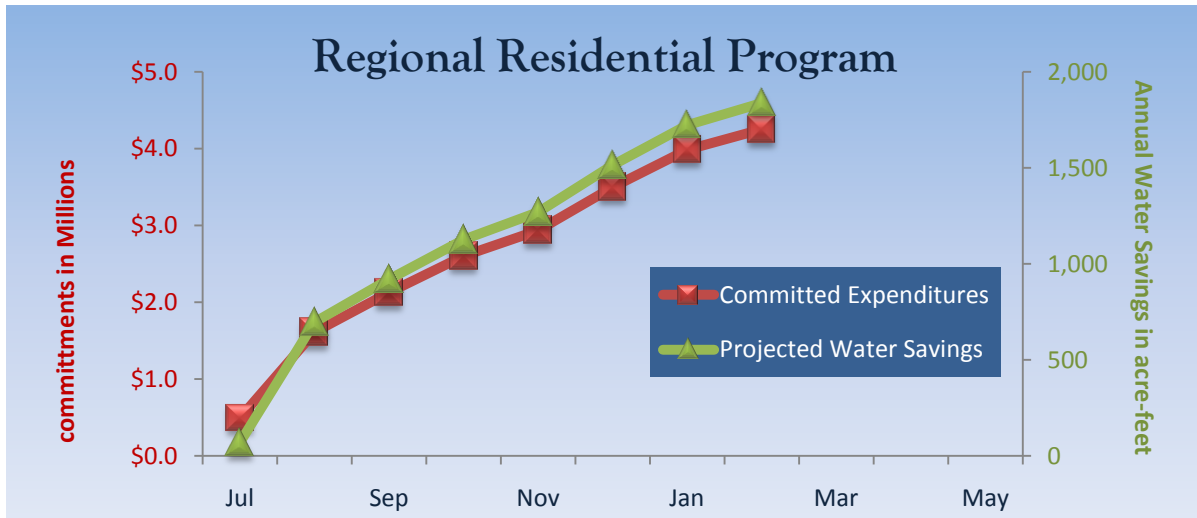
Date of Report: 3/8/2011

Board Report (Monthly Conservation Report)

Regional Residential Program - SoCal WaterSmart

Metropolitan’s regional residential program provides incentives to homeowners for the purchase and installation of water efficient products. During the months of January and February, residential customers continued to submit application requests at the same rate observed during the holiday season. Through February 7, 2011, about \$4.2 million in application funding requests were received with projected water savings of about 1,800 acre-feet annually and a total 23,000 acre-feet over the lifetime of the projects.

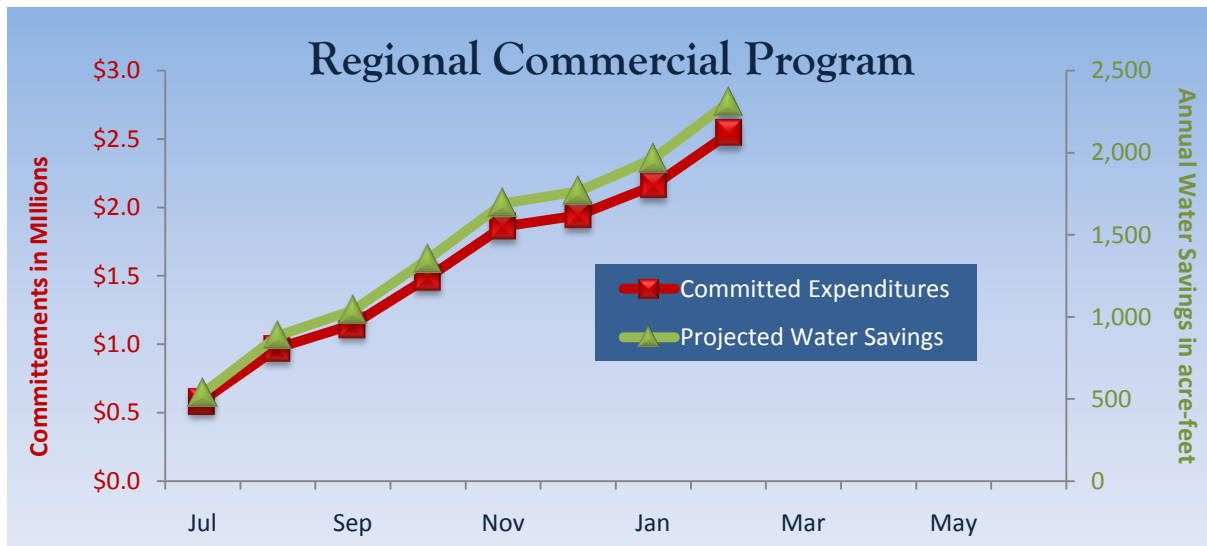
Figure 2 FY 2010/11 regional residential program committed expenditures and projected water savings



Regional Commercial Program - Save Water Save-A-Buck

The regional commercial program provides incentives to commercial customers for the purchase and installation of water efficient devices. The past month showed a noticeable increase in reservation activity, which is likely due to outreach efforts and workshops on the program that were held in Los Angeles and Orange County to generate participation. Through February 7, 2011, approximately \$2.5 million has been reserved with projected water savings of about 2,300 acre-feet annually and a total of 29,000 acre-feet over the lifetime of the projects.

Figure 3 FY 2010/11 regional commercial program committed expenditures and projected water savings



MWD-Funded/Member Agency Administered Program

Metropolitan supports locally implemented programs administered by member and retail agencies. Through this program, Metropolitan allocates funds to each member agency to explore and implement local projects in their service area. This program provides flexibility for member agencies to implement projects needed in their respective service area. To date, a total of 53 projects have been approved for FY 2010/11. Projected water savings are about 790 acre-feet annually and 9,800 acre-feet lifetime.

Existing Commitments

The Enhanced Conservation Program provides funding to member agencies for new water conservation approaches. The Water Savings Performance Program provides funding to retail customers for large landscape water use efficiency and industrial process improvements. About \$1.6 million is committed to existing agreements in these two programs. Through February 7, 2011, payments totaling about \$400,000 have been processed. Projected water savings are about 1,000 acre-feet annually and 8,300 acre-feet lifetime.

Agricultural Conservation

Metropolitan's Agricultural Conservation Program provides funding to agricultural customers for irrigation system efficiency improvements. To date, six agreements for participation have been executed with member agencies. One project has been approved for implementation and member agencies are continuing initial site visits to identify prospective program applicants.

Summary

The table below summarizes FY 2010/11 committed expenditures and projected water savings for the five elements of Metropolitan's water conservation program.

FY 2010/11 Conservation Program	Budget (\$ millions)	Committed Expenditures (\$ millions)		Projected Water Savings (AFY)	Projected Lifetime Water Savings (AF)
		Feb-10	FYTD	FYTD	FYTD
Regional Residential	\$6.0	\$0.3	\$4.2	1,800	23,000
Regional Commercial	\$4.0	\$0.4	\$2.5	2,300	29,000
MWD-Funded/Member Agency Administered Programs	\$5.5	\$0	\$3.8	790	9,800
Existing Contracts	\$1.6	\$0	\$1.6	1,000	8,300
Agricultural	\$2.0	\$0	\$0	0	0
Total*	\$19.1	\$0.7	\$12.2	5,900	70,100

*Table may not foot due to rounding