

Subject: Discuss Conservation Program Modifications

Purpose: Provide more information on the proposed conservation program modifications

# Conservation and Local Resources Committee

Item # 4b

Discussion on conservation program modifications



# Conservation Program Modifications

Conservation and Local Resource Committee

Item #4b

March 13, 2018

# Considerations for Modifications

- Input from Monthly Water Use Efficiency meetings
- Six meetings of the Program Advisory Committee (PAC)



	# Agencies
08/10/17	21
08/23/17	14
09/19/17	18
10/12/17	19
11/30/17	18
01/25/18	18

- Input from the Alliance for Water Efficiency (AWE) Peer Review
- Input from C&LR Committee
- Water savings modeled using the AWE Water Conservation Tracking Tool

# Outline

- Regional Landscape Transformation Program
- Budget
- Member Agency Administered Landscape Transformation Program
- Market-Based Incentives
- Professional Landscape Training

# Regional Landscape Transformation

# Should There Be a Cap on Member Agency Co-Funding?

- Considerations:

- Unlimited co-funding would allow local agency to spur activity in its service area
  - Could also lead to use of the budget in short period
- A cap on the co-funding amount allows for better regional consistency
- Too large of a rebate amount may spur an unmanageable response from contractors

# Should There Be a Cap on Member Agency Co-Funding?

- Proposal:
  - \$1/sq ft Metropolitan and up to \$1/sq ft local agency co-funding
- Alternative Option:
  - No limit on local agency co-funding

# Should Residential Consumers be Limited to Front Yards Only?

- Considerations:

- Front yards allow higher visibility to maximize the multiplier effect
- Back/side yards create difficulties for inspection
- Some consumers might have already transformed their front yards
- Allowing back/side yards increases the opportunity for water savings per property

# Should Residential Consumers be Limited to Front Yards Only?

- Proposal:
  - Residential consumers are limited to front yard only
- Alternative Option:
  - Allow back/side yards when:
    - A minimum of 250 sq ft on the front yard is included, or
    - Front yard was previously transformed

# Should Commercial/Public Agencies be Limited to Visible Areas Only?

- Considerations:

- Higher visibility maximizes the multiplier effect
- In commercial building design there may not be distinction between front and back of building
- Determination of visible areas in commercial/public properties is subjective

# Should Commercial/Public Agencies be Limited to Visible Areas Only?

- Proposal:
  - Do not have a requirement for commercial/public agencies
- Alternative Option:
  - Monitor commercial/public agency activity to see if this is an issue going forward

# Should There Be a Required Plant List for Landscape Transformation?

- Considerations:

- Encourage consumers to install low water consuming plants (possibly CA native)
- Inspections would require specialized staff to identify plants on the list
- Increases admin and inspection costs
- Could conflict with existing local agency lists

# Should There Be a Required Plant List?

- Proposal:
  - No required plant list
- Alternative Option:
  - Have a recommended plant list, but not required
  - Include CA native plants in promotional materials and outreach

# Are Receipts Required for the Landscape Transformation Program?

- Considerations:

- Requiring receipts allows collection of data for cost of projects
- If cost of project is a hurdle to getting funds, could undermine DIY participants

# Are Receipts Required for the Landscape Transformation Program?

- Proposal:
  - Require receipts
- Alternative Option:
  - Receipts collected for analyzing project costs, but not used to determine funding amount

# Budget

# \$43 Million Proposed Budget

FY18/19

	Targeted Expenditures*
Regional Devices	\$13M
Member Agency Administered	\$5.5M
Landscape Transformation	\$17M
Advertising	\$5M
Other**	\$2M
<b>TOTAL</b>	<b>\$43M</b>

\*Values include admin fee when appropriate

\*\*Other includes research, classes, surveys, etc

Subject to budget approval

# Landscape Transformation Targeted Expenditures

- Target Budget: \$17M
  - Regional incentives
  - Regional program admin fees
  - Member agencies can run local programs

# Landscape Transformation Program

## When to close the application period?

- Considerations:

- Previous program had approximately 40% drop out rate
  - This would limit the ability to use the allocated budget, if not accounted for
- Program is meant to be managed within an annual budget amount
- Projects often take many months to complete

# Landscape Transformation Program

## When to close the application period?

- Proposal:

- Accept applications up to 40% above the annual budget amount for the landscape transformation program
  - To account for potential drop out rate
- If drop out rate is less, authorize staff to utilize Water Stewardship Fund
- Closing the application period allows for budget control
  - Once applications are closed for a given year, consumers would be directed to apply in the following fiscal year

# Landscape Transformation Program

## Budget Management Example



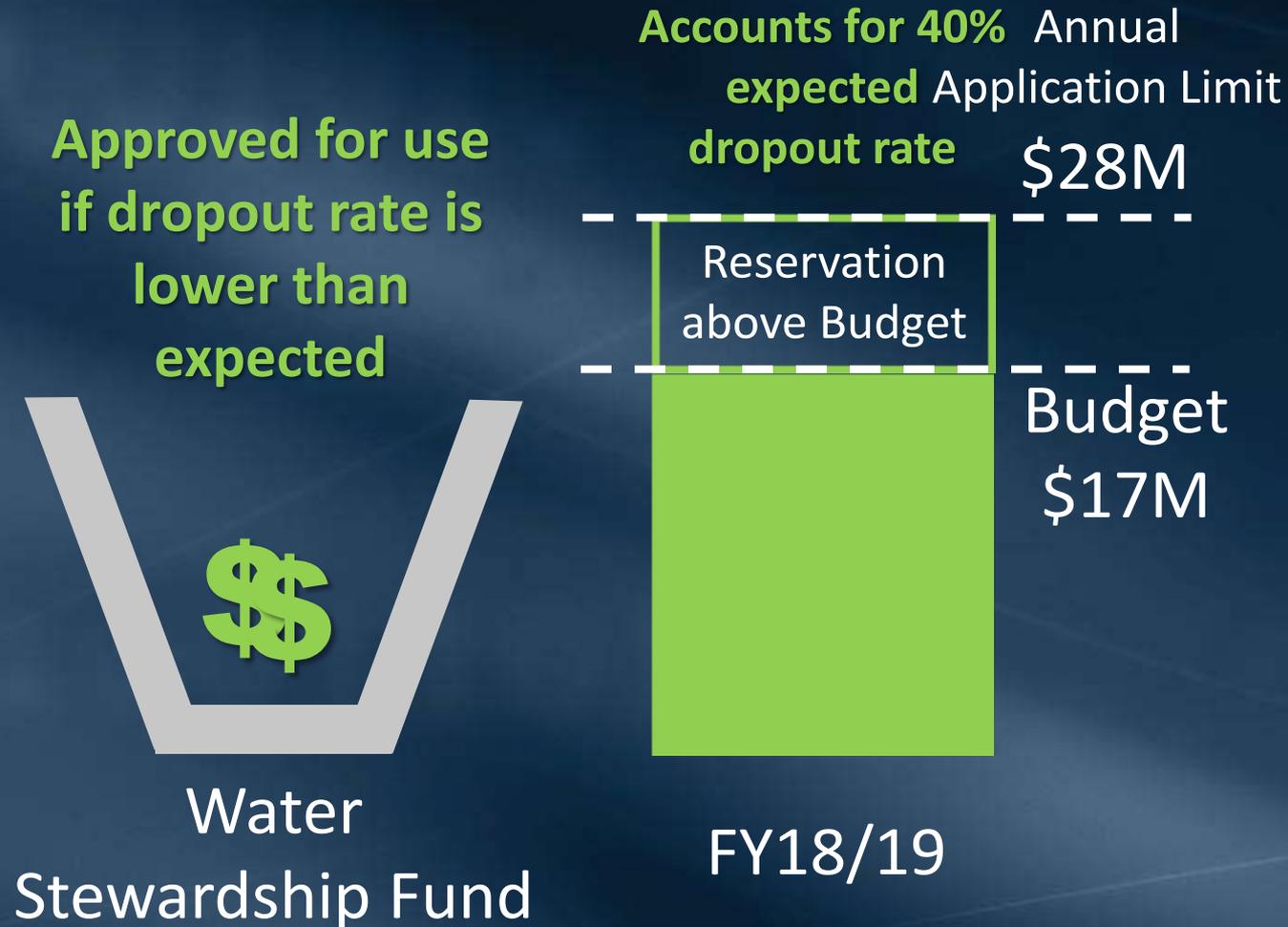
FY16/17-  
FY17/18



Water  
Stewardship Fund

# Landscape Transformation Program

## Budget Management Example



# Market Based Incentives

# Why Offer Market Based Incentives?

- Considerations:
  - Allows an evaluation of consumer response to higher incentive amounts for a pilot period
  - Previous programs with higher incentives spurred activity
    - Rain barrel and the previous turf removal program
  - Higher incentives may be able to reach disadvantaged communities

# Why Offer Market Based Incentives?

- Proposal:
  - Implement 2 year pilot
- Alternative Option:
  - Develop but do not immediately implement market-based incentives
  - Focus on landscape transformation program
  - Implement pilot if device activity falls below expectations

# Professional Landscape Training

# Can Metropolitan Pay for Local Agency QWEL?

- Considerations:
  - Working with QWEL to provide individualized webpages for agencies with local QWEL programs
  - Currently there is no mechanism to pay for local training programs

# Can Metropolitan Pay for Local Agency QWEL?

- Proposal:
  - Metropolitan will pay the enrollment fee for all agencies
- Alternative Option:
  - Allow member agencies to use MAA funding to pay for their local QWEL classes

# Next Steps

- Continue discussion of proposed conservation program updates with member agencies
- Receive feedback from C&LR Committee
- Proposal to WP&S for consideration in April

