



## ● September update on Conservation Board Report

### Summary

This report provides a summary of conservation activity for the month of July 2019 as well as information on administrative changes to the Public Agency Landscape program and expansion of Metropolitan’s partnerships with energy utilities.

### Purpose

Informational

### Detailed Report

#### Summary of Incentives Provided in July 2019: \$930,379

 <b>Turf Replacement Rebates:</b> July: 162,088 ft <sup>2</sup> removed FY18/19-19/20: 2,439,390 ft <sup>2</sup> removed	 <b>Clothes Washers:</b> July: 464 units rebated FY18/19-19/20: 15,568 units rebated
 <b>Smart Controllers:</b> July: 594 units rebated FY18/19-19/20: 13,171 units rebated	 <b>Urinals:</b> July: 0 units rebated FY18/19-19/20: 228 units rebated
 <b>Rain Barrels and Cisterns:</b> July: 46 units rebated FY18/19-19/20: 4,157 units rebated	 <b>Toilets:</b> July: 1,737 units rebated FY18/19-19/20: 45,164 units rebated
<b>Lifetime Water Savings to be achieved by all rebates in July 2019: 3,397 AF</b> FY18/19-19/20: 58,660 AF lifetime water savings	

#### Conservation Expenditures – FY18/19 & FY19/20 Total Budget of \$89M <sup>(4)</sup>

	Paid <sup>(1)</sup>	Committed <sup>(2)</sup>
Regional Devices	\$7.1 M	\$3.4 M
Member Agency Administered	\$1.6 M <sup>(5)</sup>	\$5.1 M
Turf Replacement <sup>(3)</sup>	\$2.2 M	\$8.9 M
Advertising	\$5.0 M	\$0.1 M
Other	\$1.4 M	\$3.5 M
Regional Multi-Family (Pre 1994) Pilot <sup>(4)</sup>	\$0.0 M	\$2.2 M
<b>TOTAL</b>	<b>\$17.3 M</b>	<b>\$23.2 M</b>

(1) Modified Accrual as of July 31, 2019. Values include admin fees when appropriate

(2) Committed dollars as of August 11, 2019

(3) Up to \$50M in applications accepted each year

Draw from Water Stewardship Fund for expenditures above \$17M

(4) Total Budget increased by \$3M for Regional Pilot Program

(5) Includes San Diego FY17/18 accrual of \$170K

## **Administrative Changes to Public Agency Landscape Program**

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Metropolitan designed the Public Agency Landscape (PAL) program to minimize the financial hurdles that public agencies encounter when performing outdoor water efficiency improvements. The PAL program offers upfront incentives for “shovel ready” projects for public agencies. Presently, the administrative burden and fiscal risks associated with providing upfront funding to public agencies seems to outweigh the benefits. Metropolitan anticipated that public agencies would timely complete the projects as stated in their applications or quickly return the advanced payment. However, in a significant number of instances, the agencies failed to meet these expectations.

Further, required follow-up with non-performing participants resulted in a disproportionate administrative burden on staff. Therefore, to reduce the financial risk and alleviate the administrative burden, staff placed the program on hold pending an internal review to propose changes that will improve the program.

## **Expansion of Partnerships with Energy Utilities**

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Metropolitan’s Long Term Conservation Plan identifies strategic alliances with other utilities as a means to further promote and develop water efficiency programs across the region. In May 2019, Metropolitan entered into a Memorandum of Understanding (MOU) with Southern California Edison (SCE) to pursue coordination among water and conservation programs.

Since 2011, Metropolitan managed a similar arrangement with the Southern California Gas Company (SoCal Gas). In lieu of individual checks to each participating customer, Metropolitan provides payment to SoCal Gas after devices are directly installed by SoCal Gas. In most cases, these are direct-install programs and are offered to low-income customers for free, often in disadvantaged communities.

Metropolitan looks forward to working with these agencies, and identifying others, to effectively advance water efficiency throughout Southern California. In addition, these programs could accelerate efforts to provide water-saving benefits to disadvantaged communities.