



● **Board of Directors**
Water Planning and Stewardship Committee

10/13/2020 Board Meeting

7-8

Subject

Approve implementation of the Flow Monitoring Device Pilot Program; adopt resolution to support Metropolitan's application for United States Bureau of Reclamation grant funding of \$996,300 for a Flow Monitoring Device Pilot Program; authorize the General Manager to accept grant funds, if awarded; and authorize General Manager to enter into contract with United States Bureau of Reclamation for grant funds, if awarded; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff seeks board adoption of a resolution (**Attachment 1**) for a grant application submitted to United States Bureau of Reclamation's WaterSMART program. If awarded, funds would be used to conduct a Flow Monitoring Device Pilot Program through which Metropolitan would offer an incentive of \$150 for devices to residential consumers. The Flow Monitoring Device Pilot Program would be administered through the regional rebate program and the Member Agency Administered Program.

Residential flow monitoring/leak detection devices provide access to real-time water use information through smartphone/tablet portals and help residents understand their water use behavior. Access to this information should affect consumer behavior and reduce home water use by providing residents with a tool to better control their water consumption. If the grant funding is not awarded, staff recommends moving forward with a two-year pilot program with Metropolitan providing \$100 for the device incentive. All expenditures would be managed within the FY 2020/2021 and 2021/2022 Conservation Program Budget.

Timing and Urgency

The grant application was submitted on September 17, 2020, and a signed Board resolution is required to validate the application within 30 days of the submission date.

Details

Background

A few agencies within Metropolitan's service area offer incentives for flow monitoring/leak detection devices. These devices allow consumers to interact with real-time water use information through a portal on their smartphone or tablet. Individuals who learn about their personal water use habits often reduce their water use. Although the region is not currently in a drought, these devices would provide valuable information to residents to ratchet down water use. Consumers who have access to this information can also address leaks in a timely manner and improve the overall efficiency of their home plumbing system. The cost of the flow monitoring/leak detection devices ranges from \$200-\$800; there are also varying installation requirements, with some requiring a professional plumber to install.

Staff is requesting approval for the Board to sign an official resolution to receive and use grant funds to support a new Flow Monitoring Device Pilot Program (Pilot Program). If awarded, \$996,000 would be available for the Pilot Program for up to a three-year period. Metropolitan's match funding requirement for the grant would be \$1.2 million over the same time period. Staff recommends implementing a modified version of the Pilot Program if grant funds are not awarded, which would offer \$100 for the device incentive. The Pilot Program would not be implemented until Metropolitan is notified about the grant award.

This flow monitoring/leak detection device incentive would be made available through both the regional rebate program and through the Member Agency Administered Program (MAAP) for local projects. If member agencies want to develop local Disadvantaged Communities (DAC) projects with these devices, they can use consultants provided by Metropolitan for technical assistance. For the DAC project, agencies can take advantage of additional funding through the MAAP to provide both the device and installation at no cost.

Metropolitan is aware of multiple water agencies that provide rebates for these flow monitoring/leak detection devices. The range of the rebates is from \$40 to \$200. Water agencies providing rebates include Southern Nevada Water Authority, San Antonio Water System, Rainbow Municipal Water District, and Jurupa Community Services District. Others have partnered with one of the device manufacturers to offer an instant rebate to consumers. Metropolitan currently does not have a rebate for this item in the Regional Program, but funding is available for these devices under the MAAP under the 25 percent flexible spending for consumer education-based projects.

Metropolitan would explore creating an incentive for the flow monitoring/leak detection devices on a regional level. Staff proposes a rebate of \$100 for the device from Metropolitan. The amount of \$100 is based on preliminary water savings study estimates, manufacturer device lifetime information, and the baseline conservation rate of \$195 per acre-foot of water saved per the lifetime of the device. This amount also aligns with rebates provided by other agencies, as previously mentioned. If awarded grant funds, staff would increase the total rebate to \$150, lowering Metropolitan's contribution to \$80 and adding \$70 from the United States Bureau of Reclamation.

The incentive for the Pilot Program would be folded into the existing regional rebate program and MAAP budgets and absorbed in the current allotment for device rebates. Administratively, adjustments would be made to existing contracts and addendums distributed to support the addition of the Pilot Program.

Metropolitan's proposal to conduct a Pilot Program will help those agencies in our service area that want to offer an incentive or assistance, but may not have the funding to do so. Through a regional approach, Metropolitan can determine consumer participation levels, acceptance of the technology, and gain a better understanding of water savings potential of consumer interaction with real-time, water-use information. Staff will use data from the Pilot Program to better understand the market for these devices and the magnitude of water savings. Results from this Pilot Program would help staff determine whether to provide rebates for these devices on a regular basis.

Staff intends to implement the Pilot Program over a two-year period allowing time for data analysis; 18-months of implementation upon grant award, and six months of data analysis. At the completion of the Pilot Program, data analysis would be conducted to determine the effectiveness of the incentives.

Through the Pilot Program, consumers will choose from a list of eligible devices with a range of costs, device features, and installation methods. Providing options will ensure consumers can choose a device that meets their needs and their budget. All eligible devices will continuously monitor water flow and connect consumers with their usage information via a smartphone application.

There are currently five devices on the market that have undergone testing by Utah State University in partnership with Southern Nevada Water Authority. The devices were tested for accuracy, and the report was made available through a Leak Detection Collaborative group that Metropolitan is involved in for information and data sharing as this new technology is being tested in the market. Metropolitan proposes to provide rebates in the Pilot Program only for devices tested as part of the Utah State University study. Once the Pilot Program is complete, staff will re-evaluate eligibility criteria.

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Into Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51426, dated December 11, 2018, the Board Authorize use of Member Agency Administered Funds subject to staff approval of programs.

By Minute Item 50883, dated July 11, 2017, the Board adopted revised policy principles for guiding Metropolitan's role in regional implementation of IRP targets for conservation.

By Minute Item 50358, dated January 12, 2016, the Board adopted the 2015 IRP Update.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378 (b)(4) of the State CEQA Guidelines). Further, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines). In the alternative, and even if the proposed action was defined as a project under CEQA and is subject to CEQA, the proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies as a Class 1, Categorical Exemption (Section 15301 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Approve implementation of the Flow Monitoring Device Pilot Program; and

- a. Adopt the resolution.
- b. Authorize the General Manager to accept grant funds, if awarded.
- c. Authorize the General Manager to enter into a contract for the grant funds.

Fiscal Impact: Addition of grant funds to existing \$1.2 million of Metropolitan funding would allow for more rebates to be issued and member agency local projects to be implemented. If grant funding is not awarded, the existing \$1.2 million would allow for a smaller incentive and lower number of rebates distributed. All expenditures would be managed within the existing Conservation Program Budget.

Business Analysis: Approving the program and accepting this grant, if awarded, would expand access to leak detection devices throughout Metropolitan's service area.

Option #2

Do not approve implementation of the Flow Monitoring Device Pilot Program, and do not adopt the resolution or accept grant funding.

Fiscal Impact: None

Business Analysis: Without the grant funds, Metropolitan would reach fewer participants in the conservation incentive program.

Staff Recommendation

Option #1



Brad Coffey
Manager, Water Resource Management

9/24/2020
Date



Jeffrey Nightlinger
General Manager

9/29/2020
Date

Attachment 1 –Resolution for the Flow Monitoring Device Pilot Program

Ref# wrm12676730

Resolution for the Flow Monitoring Device Pilot Program

RESOLUTION _____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
IN SUPPORT OF ITS PROPOSAL FOR FUNDING
UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS
FOR THE FLOW MONITORING DEVICE PILOT PROGRAM

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2021; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) and 15061 (b)(3) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for Flow Monitoring Device Pilot Program under Reclamation’s WaterSMART: Water and Energy Efficiency Grants for FY 2021.

BE IT FURTHER RESOLVED that Metropolitan’s Board authorizes Metropolitan’s General Manager to accept grant funding of up to \$996,300.

BE IT FURTHER RESOLVED that Metropolitan’s Board delegates legal authority to Metropolitan’s General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held October 13, 2020.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California