



STAFF REPORT

Meeting Type: Communications & Water Efficiency Committee/Board of Directors
Title: Water Efficiency Program – Proposed Changes to Incentives and Policy
From: Paul Sellier, Director of Water Resources *PS*
Through: Ben Horenstein, General Manager *BH*
Meeting Date: May 15, 2024

TYPE OF ACTION: Action Information X Review and Refer

RECOMMENDATION: Review proposed changes to the District water efficiency incentives and water efficiency policies and refer these to a regular bi-monthly Board for approval

SUMMARY: On May 1, 2024, a Board workshop was held to review the draft 2024 Water Efficiency Master Plan (WEMP). At the workshop, the Board requested that Water Efficiency Program costs be compared directly to the cost of other water supply options being considered by the District. As is the norm for Water Efficiency Programs, the unit costs as presented at the workshop are not calculated in the same way as water supply projects costs. Staff is planning to share the revised, water supply equivalent, costs for the District's Water Efficiency Program at the May 23 Finance and Administration committee meeting prior to seeking approval of the WEMP. The proposed changes to the water efficiency incentives and policies discussed at the workshop are fully vetted and incorporate Board member comments provided at the workshop. Staff will present these for review and referral to a regular bi-monthly board meeting for the Board to consider approval.

DISCUSSION: The District boasts a well-established and award winning Water Efficiency Program. The draft 2024 Water Efficiency Master Plan outlines a comprehensive five-year strategy aimed at achieving community supported water savings. A Water Efficiency Master Plan Board Workshop was held on May 1, 2024, where staff discussed water use, explained how demand reduction objectives were established, and described activities and initiatives tailored to achieve these objectives. Staff are currently incorporating refinements to the Master Plan based on Board feedback including a financial analysis by the Finance group to provide an apples to apples comparison of Water Use Efficiency program with other water supply projects. Staff will bring the revised Master Plan to a future meeting for consideration. During the workshop the board also provided feedback regarding incentives and policy changes which have been incorporated below.

Proposed Incentive Changes

The High-Efficiency Toilet Rebate program, which was reinstated during the water shortage emergency, and the longstanding High-Efficiency Clothes Washer Rebate are a largely ineffective use of District resources because high flow toilets and washing machines are no longer available for purchase. Staff proposes that the funds allocated to these programs be redirected to support a new Custom Rebate program tailored for Commercial, Institutional, Irrigation, and Multi-Family Customers. These proposed incentive changes will be presented for a review and referral to a regular bi-monthly Board meeting for the Board to consider approval.

Proposed Policy Changes

At the Board Workshop, staff presented certain policy changes and received input from the Board. The first of these is the Graywater Ordinance, which is being recommended for repeal and replacement with a new standard to allow customers who are making significant changes to their property and/or new connections to choose the landscape option that best suits them while aligning with the District goal of water use efficiency. The options will include installing low or very low plant material in the area impacted by the construction project, installation of a graywater system or using recycled water for landscaping, if available. The option to install a rainwater harvesting system has been removed to ensure the options have a similar output of water savings.

The other near term proposed policy change would address the District's current fixture standards. The District requires that all interior plumbing installed, replaced, or moved in any new or existing service be high-efficiency fixtures. Previously, the District code for interior plumbing fixtures stood as one of the most forward-thinking in the State. However, with the advancement the State's CALGreen Building standards, the District's regulations have become outdated. As all the local jurisdictions are now required to enforce CALGreen standards, there exists a need to update the District code to align with the State regulations, ensuring that the updated standards continue driving efficiency in the region. Staff is proposing the current outdated code be replaced with a reference to the State's CALGreen Fixture Standards, which are updated every three years to align with the latest available technology.

These policy changes will require updates to the District Code. Staff will prepare the necessary ordinances to implement these changes and will bring these to a future bi-monthly Board meeting for the Board to consider approval. At the upcoming Finance and Administration Committee staff will discuss the methodology to more closely compare the cost of the WEMP incentives to the District's water supply options currently under development.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: None.

ATTACHMENT(S): None.