

Water Conservation Program Review

For the purposes of reorganization, the requirement for a District Water Conservation program was reviewed. The regulatory driver for the Water Conservation program is the California Urban Water Management Planning Act and as amended by AB 1420. It applies to all municipal suppliers with over 3,000 connections.

AB 1420 requires the implementation of all Best Management Practices (BMPs) specified by and to the coverage level determined by the California Urban Water Conservation Council. It requires annual reports to the Water Resources Control Board documenting compliance with the required BMPs. The BMPs are in five general areas: Utility Operations, Education Programs, Residential, Commercial/Industrial/Institutional, and Landscape.

The coverage level requirements of the California Water Conservation Council are robust. For example, compliance with the coverage requires the District provide leak detection for an average of 1.5 percent of residential customers a year and landscape water survey assistance to an average of 1.5 percent of current residential customers per year. This would equal approximately 130 surveys for single family residents and a smaller number for multi-family dwellings. This level of compliance would require trained staffing or significant consultant time

Example of BMP requirement is detailed below with the requirement of the Residential BMP (from the California Urban Water Conservation Council). It should be noted that the District is compliant with the BMPs and the required program due to the multi-year efforts of the District's conservation staff.

RESIDENTIAL

Residential water users throughout California depend on a reliable and safe supply of water for their homes. This BMP will define the best and most proven water conservation methods and measures those residents, working in conjunction with water agencies, can implement. By implementing these methods and measures homeowners, multi-family property owners, and tenants will increase water use efficiency and reliability. Credit for prior activities, as reported through the BMP database, will be given for documented water savings achieved through 2008.

A. Implementation

Retail water agencies shall implement a water use efficiency program that consists of either the coverage goals listed below or achieving the water savings goals by implementing measures on the Flex Track Menu in Section F below.

1) Residential assistance program (*formerly BMPs 1 & 2*)

Provide site-specific leak detection assistance that may include, but is not limited to, the following: a water conservation survey, water efficiency suggestions, and/or inspection. Provide showerheads and faucet-aerators that meet the current water efficiency standard as stipulated in the WaterSense Specifications (WSS) as needed.

2) Landscape water survey (*formerly BMP 1*)

Perform site-specific landscape water surveys that shall include, but are not limited to, the following: check irrigation system and timers for maintenance and repairs needed; estimate or measure landscaped area; develop customer irrigation schedule based on precipitation rate, local climate, irrigation system performance, and landscape conditions; review the scheduling with

customer; provide information packet to customer; and provide customer with evaluation results and water savings recommendations.

3) High-efficiency clothes washers (HECWs) (*formerly BMP 6*)

Provide incentives or institute ordinances requiring the purchase of high-efficiency clothes washing machines (HECWs) that meet an average water factor value of 5.0. If the WaterSense specification is less than 5.0, then the average water factor value will decrease to that amount.

4) WaterSense Specification (WSS) toilets (*formerly BMP 14*)

Provide incentives or ordinances requiring the replacement of existing toilets using 3.5 or more gpf (gallons per flush) with a toilet meeting WSS.

5) WaterSense Specifications for residential development

Provide incentives such as, but not limited to, rebates, recognition programs, or reduced connection fees, or ordinances requiring residential construction meeting WSS for single-family and multi-family housing until a local, state or federal regulation is passed requiring water efficient fixtures.

B. Implementation Schedule

Implementation shall commence no later than July 1 of the first year following the latter of either:

- 1) the year the agency signed or became subject to the MOU, or
- 2) the year this exhibit is amended.

C. Coverage Requirements

Coverage shall consist of:

1) Residential Assistance

Provide leak detection assistance to an average of 1.5 percent per year of current single-family accounts and 1.5 percent per year of current multi-family units during the first ten years after signing the MOU. After completing the ten-year 15 percent target, agencies will maintain a program at the level of high-bill complaints or not less than 0.75 percent per year of current single-family accounts and 0.75 percent per year of current multi-family units. Showerhead distribution will be considered complete when 75 percent market saturation is achieved.

2) Landscape Water Survey

Provide landscape water surveys to an average of 1.5 percent per year of current single-family accounts during the first ten years after signing the MOU. After completing the ten-year 15 percent target, agencies will maintain a program at the level of high-bill complaints or no less than 0.75 percent per year of current single-family accounts.

3) High efficiency clothes washers

Provide financial incentives for the purchase of HECWs that meet an average water factor value of 5.0. If the WaterSense Specification is less than 5.0, then the water factor value will decrease to that amount. Incentives shall be provided to 0.9 percent of current single-family accounts during the first reporting period following BMP implementation, rising to 1.0 percent per year of current single-family accounts for the remainder of ten year period following signing of the MOU. An alternative method is to demonstrate 1.4 percent per year of the market penetration during the first ten years after signing the MOU.

4) WaterSense Specification (WSS) toilets

A financial incentive shall continue to be offered for toilets meeting the current WSS and updated standard whenever a more efficient toilet is identified by WSS. Compliance will entail demonstrating a number of toilet replacements of 3.5 gpf or greater, toilets at or above the level achieved through a retrofit on resale ordinance until 2014, or a market saturation of 75% is demonstrated, whichever is sooner.

5) WSS for new residential development

An incentive shall continue to be offered until a water agency, or local, state or federal regulation is in effect meeting at a minimum, WSS for water efficient single-family homes. Multi-family housing shall also meet the WSS in all applicable criteria regardless of the total number of stories in the building.

D. Requirements for Documenting BMP Implementation

1) Residential assistance

Provide reports, disaggregated by single-family and multi-family units, identifying: the number of residential assistance/leak detection survey visits completed; number of WSS showerheads distributed; and number of WSS faucet aerators distributed during the reporting period.

2) Landscape Water Surveys

Provide the number of single-family account landscape water surveys completed during the reporting period.

3) High efficiency clothes washers

The number of installations credited to the agency's replacement program for HECWs with an average water factor value of 5.0. If the WaterSense Specification is less than 5.0, then the water factor value will decrease to that amount.

4) WaterSense Specification (WSS) toilets

A description of the program along with the number of WSS toilet installations credited to the agency's replacement program disaggregated by single-family or multi-family units.

5) WSS for new residential development

Provide a copy of the new development ordinance currently adopted by the reporting unit or provide the following incentive program details: number of new single-family and multi-family units built in service area during the reporting period; description of incentives offered; list of incentive amounts; number of WSS fixtures installed; and number of participating single-family home and multi-family units.

E. Water Savings Assumptions

Water savings assumptions will be based on the type and number of actions implemented.

F. Flex Track Menu

In addition to the measures above, the Flex Track Menu may be implemented in part or any combination to meet the savings goal for this BMP. Agencies choosing the Flex Track Menu are responsible for achieving water savings greater than or equal to that which they would have achieved using only the BMP

The regulatory requirements for AB 1420 are noted below:

AB 1420 Requirements

AB 1420 requires:

(1) DWR, the State Water Board, and CBDA to condition water management grants or loans made to an urban water supplier on the implementation of the DMMs described in Water Code section 10631. [As noted above, the DMMs correspond to the BMPs described in the CUWCC Memorandum of Understanding (MOU)],

(2) DWR, in consultation with the State Water Board and the CBDA, to develop eligibility requirements that consider the California Urban Water Conservation Council's BMPs; and,

3) DWR to exercise its discretionary authority to determine whether an urban water supplier is eligible for a water management grant or loan.

What does BMP Implementation Compliance Mean?

Urban water supplier may be eligible for a water management grant or loan if it demonstrates that it is implementing or scheduling the implementation of BMPs, as follows:

1. The urban water supplier is currently implementing all BMPs at a coverage level determined by the CUWCC MOU; or
2. The urban water supplier has submitted a schedule, budget, and finance plan commencing within the first year of the agreement for which grant funds are requested to implement all BMPs at the coverage level determined by the CUWCC MOU; or
3. The urban water supplier has demonstrated by providing supporting documentation that certain BMPs are “not locally cost effective.” “Not locally cost effective” means that the present value of the local benefits of implementing a BMP is less than the present value of the local costs of implementing that BMP.

Compliance on a regional basis requires participation in a regional conservation program consisting of two or more urban water suppliers that achieves the level of conservation or water efficiency savings equivalent to the amount of conservation or savings achieved if each of the participating urban water suppliers implemented the water demand management measures. The urban water supplier administering the regional program shall provide participating urban water suppliers and DWR with data to demonstrate that the regional program is consistent with this clause. DWR shall review the data to determine whether the urban water suppliers in the regional program are meeting the eligibility requirements [Water Code section 10631.5(b)(2)(A)(ii)].

Past, current, and near future implementation of each BMP must together demonstrate that the urban water supplier is implementing BMPs at the coverage level determined by the CUWCC MOU.

Alternative Conservation Approaches:

AB 1420 allows for the implementation of alternative conservation approaches. [Water Code section 10631.5(b)(1)(A)]. For the purpose of loan and grant program this includes CUWCC Flex Track BMPs and/or other alternative conservation approaches. If an urban water supplier chooses to implement alternative conservation approaches, they must provide equal or greater water savings than the established BMPs.

What Do I have to do to Demonstrate Compliance with AB 1420?

Urban water suppliers are required to complete the AB 1420 Self-Certification Statement Table 1 (Table 1).

Table 1 is not complete without a signature of an authorized representative of the urban water supplier. By signing Table 1, the authorized representative certifies under penalty of perjury that all information and claims regarding compliance, implementation of the BMPs, and financing plans are

true and accurate. The urban water supplier and its authorized representative understand that the information in Table 1 and the supporting documents are extremely important and must be true and accurate. Falsification or inaccuracies in Table 1 and in any supporting documents may at the discretion of the Funding Agency, result in loss of all grant or loan funds to the applicant. Additionally, the Funding Agency may take legal action to recover any disbursed funds and refer the matter to the Attorney General's Office.

Urban water suppliers must also submit hard copies of any reports that support or substantiate claims made on Table 1 regarding past, current, and planned BMP implementation or alternative conservation approaches, as well as any documentation supporting a claim of exemption. These reports include urban water management plans, and the most recent BMP reports to the CUWCC as part of the Urban MOU. If the urban water supplier is not a CUWCC member, any reports on BMP implementation and/or alternative conservation approaches must be submitted to DWR in the CUWCC report format.

Some Funding Agencies may provide funds to help the urban water supplier implement BMPs and/or alternative conservation approaches to comply with AB 1420. AB 1420 Compliance Table 2 should be completed and submitted only if the grant or loan program allows funding to be used for BMP implementation, and the urban water supplier is proposing to use grant or loan funds for BMP implementation to comply with AB 1420. The use of grant or loan funds for BMP compliance and/or alternative conservation approaches, and conditions of that usage (amount of funding, cost-share, etc.) are program specific.

How Often Must Documentation be Provided?

An urban water supplier must complete Table 1 for each grant or loan program. An urban water supplier who already has a signed agreement and has submitted Table 1 will need to submit an updated Table 1 when applying for funds from the same or another grant or loan program. Updated information must include any changes in the implementation schedule, financing, budget, and level of coverage.

Department Review Process

Upon receipt of a water management grant or loan application, the Funding Agency will request from DWR an AB 1420 eligibility determination. AB 1420 requires that DWR make a determination and respond to the Funding Agency within 60 days of the request. Urban water suppliers that do not submit a completed Table 1 may not be eligible to receive grant or loan funds.

DWR will do the following:

1. Review Self-Certification Statement Table 1 to determine whether the urban water supplier is eligible to receive grant or loan funds. The eligibility determination will be based on information provided in Table 1. DWR eligibility determination is subject to an audit of the supporting documents and information provided with Table 1;
2. Review AB 1420 Compliance Table 2, if applicable;
3. Inform the Funding Agency, within 60 days of DWR's determination whether an urban water supplier is an eligible to receive funding. DWR may also recommend that Table 1

be included in the grant or loan funding agreement and a schedule for submittal of progress reports to the Funding Agency to ensure continued compliance;

4. May audit the supporting documents to verify if all the information provided in Table 1 is accurate and valid, and to verify continued compliance. DWR will notify both the Funding Agency and the urban water supplier if it finds inaccuracies, discrepancies, or false statements to support claims made in Table 1; and,
5. May request additional information and documentation, including reports to substantiate the accuracy of the information being reviewed before issuing its audit findings.

Failure to Implement BMPs and/or Alternative Conservation Approaches

Failure to implement BMPs and/or alternative conservation approaches as detailed in Table 1, or Table 2, if applicable, may cause the Funding Agency, at its sole discretion, to halt disbursement of grant or loan funds, not pay any pending invoices, and pursue any other applicable legal remedy.

Comparison of Water Conservation programs

A review of other public water agencies with similar compliance goals (AB 1420), have differing levels of water conservation spending. On average, the yearly expenditure rate for water conservation for the public water agencies surveyed is \$31.53 per connection. The District's expenditures in fiscal year 2010-11 for water conservation was \$318,589 or \$39.82 per connection. The District's 2011-12 budget of \$389,105 or \$48.63 per connection. As approximately half of the budget is for internal staff, a reduction of the District staff personnel from two to one will bring the District yearly expenditure level below \$300,000 and closer to the average cost incurred by other water districts

Conservation Program Comparison

District Name	Connections	Total Conserv Expenditures or Budget	Conserv \$ Per Connection	Conservation Staff
Marina Coast Water District	8,000	\$318,589.00	\$39.82	2
Citrus Heights Water District	19,550	\$260,000.00	\$13.30	1 + (1) part-time
Soquel Creek Water District	14,100	\$569,000.00	\$40.35	3
Marin Municipal Water District	59,989	\$4,016,465.00	\$66.95	13
Camrosa Water District	10,000	\$90,000.00	\$9.00	Contracted
Scotts Valley Water District	3,861	\$149,000.00	\$38.59	1
City of Davis	16,519	\$441,750.00	\$26.74	2
City of San Luis Obispo	14,500	\$253,417.00	\$17.48	2
Average	18,315	\$762,277.63	\$31.53	