



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. _____

APRIL 8, 2009 – Communications

Gray (Chair), Kwan

APRIL 27, 2009 – Board Meeting

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Approved by: Rich Nagel

INFORMATION CALENDAR

METROPOLITAN WATER DISTRICT'S CONSERVATION PROGRAM FUNDING

SUMMARY:

This item provides the Board with Metropolitan Water District's (MWD) proposed changes to their conservation incentive programs and the effects it will have on West Basin Municipal Water District's (West Basin) budgets and programs.

MWD provides conservation incentives through its Conservation Credits Program (CCP). The CCP Program is funded through the stewardship charge that the member agencies pay when purchasing imported water. The CCP helps to fund the Local Resource Programs such as water recycling projects, conservation, education, outreach, marketing, etc.

For years, the spending for MWD's and the member agency conservation programs has ranged between \$15 million - \$20 million per year. Historically, this funding has been adequate enough to cover MWD's regional and member agency run programs. But recently, MWD added the Public Sector Program, which has consumed another \$20 million from the conservation budget.

Fiscal Year (FY) 2008-09 Program Changes

The Public Sector Program provides cities and other public sites with audits and upfront funding to assist in device retrofits. This program was so successful, that MWD staff had to request an additional \$20 million from the Board in February 2009 to cover all the conservation programs.

Of the current \$40 million budget, an estimated \$30 million has been spent through March 2009. In order to control the spending for the Public Sector Program, MWD staff has allocated \$5 million per year over the next three years. The entire \$40 million is anticipated to be spent by June 30, 2009.

FY 2009-10 – Going Forward

MWD staff was directed by their senior management to only budget \$19.1 million for the entire conservation program for next fiscal year.

In order for MWD to stay within the \$19.1 million budget, they are recommending several cuts and reductions in conservation programs and incentives.

MWD's Proposed Changes

On Thursday, April 16, MWD staff provided a presentation at the monthly Water Use Efficiency Coordinator's meeting showing the changes that MWD staff will propose to the Board in May as an information item, with the goal of conducting an action item in June. Following are some of the changes that are being proposed:

Device / Program	Change
High-Efficiency Toilets	<ul style="list-style-type: none"> Reduce the current incentive from \$165 to \$50 for both residential and commercial toilets.
High-Efficiency Clothes Washers	<ul style="list-style-type: none"> Reduce the current incentive of \$100 to \$50.
Synthetic Turf	<ul style="list-style-type: none"> MWD will only provide the \$0.30 per sq. ft. incentive with a member agency match of \$0.30 per sq. ft. cost share, and limits the incentive to ½ acre or roughly 21,000 sq. ft.
Zero Water-Use Urinals and Pint Urinals	<ul style="list-style-type: none"> Lowers the incentive from \$400 to \$200 per device
Landscape	<ul style="list-style-type: none"> Removes the \$4 per sprinkler nozzle. MWD will now provide \$5 per sprinkler nozzle when bundled with a pressure regulating head. Reduces the \$13 incentive for large water efficient rotors to \$7 per set.
Device Phase-Outs	<ul style="list-style-type: none"> Kitchen pre-rinse spray nozzles. Commercial clothes washers.
Regional Residential and Commercial, Industrial and Institutional (CII) Rebate Programs	<ul style="list-style-type: none"> These are no longer rebate programs; they are now reservation programs. Residents and (CII) customers will first need to call and acquire a reservation number before purchasing any device. Reservation numbers will be assigned depending on available funds for the given month.

In addition to these changes, MWD will not guarantee funding to the member agencies for their programs. They are currently asking the Member Agencies to submit their programs and future funding requests, so they can determine how much to fund.

COMMITMENT STATEMENT:

Water Reliability – West Basin is committed to innovative planning and investment to provide water supply reliability and drought protection.

Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and the communities we serve.

FISCAL IMPACTS:

This is an information item only to discuss MWD's proposed incentive cuts and the potential fiscal impacts on West Basin's programs.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by the Communications Committee meeting on April 8, 2009.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

EXHIBIT "A" – Proposed MWD Incentives / WB Program Impacts