



SPECIAL MEETING
WATER PLANNING COMMITTEE

AGENDA

AUGUST 10, 2017

1:30 p.m.

Board Room

David Cherashore – Chair
Brian Boyle – Vice Chair
Betty Evans – Vice Chair
Jimmy Ayala
David Barnum
Brian Brady
Kathleen Coates Hedberg
Tom Kennedy

Keith Lewinger
Mark Muir
Jose Preciado
Halla Razak
Tim Smith
Yen Tu
Mark Weston

1. Roll call – determination of quorum.
2. Additions to agenda (Government Code Section 54954.2(b)).
3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.
4. Review Proposed Updates to Water-Use Efficiency Policy Principles. (Discussion)
5. Review of Current Water-Use Efficiency Program Priorities. (Discussion)
6. Adjournment.

Melinda Nelson
Clerk of the Board

NOTE: This meeting is called as a Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.



August 3, 2017

Attention: Water Planning Committee

Review Proposed Updates to Water-Use Efficiency Policy Principles. (Discussion)

Purpose

The Water Planning Committee will discuss proposed updates to the Water-Use Efficiency Policy Principles. This memo provides background information to facilitate the discussion.

Background

Since the early 1990s, the Water Authority Board has implemented an important strategy to enhance regional water supply reliability and reduce dependence on imported water supplies by diversifying its water resources. This diversification strategy includes enhancing the region's water-use efficiency. The Water Authority has played a leadership role in water-use efficiency through its own programs, through outreach and partnerships with its member agencies and other stakeholders, through its involvement in regulatory advocacy, and through sponsorship of legislation.

In addition, in April 2012 the Board adopted a set of Water Use Efficiency Policy Principles to provide long-term, strategic direction to staff to help guide the evaluation, prioritization, development and implementation of water-use efficiency projects, programs and other efforts affecting the Water Authority, its member agencies, and/or regional water use.

Included in the 2017-2018 Water Planning Committee work plan is the goal to adopt an updated set of policy principles by the end of calendar year 2017. The Water Authority has periodically re-evaluated its approach to water-use efficiency to ensure its policies, programs and initiatives adapt to changing conditions (droughts, state mandates, evolving market conditions, rising water rates, etc.) that ultimately impact the needs of the region's member agencies and water users.

Discussion

Since the principles were approved in 2012, water-use efficiency conditions have significantly changed, driving the discussion for how the Water Authority can best support member agencies and the region's diversification strategies. Some of the factors impacting current and future water-use efficiency policy include:

1. An end to the CUWCC Memorandum of Understanding Regarding Urban Water Conservation in California (MOU) and related best management practices (BMPs).
2. New statewide water-use restrictions and regulations.
3. Enduring effects from recent statewide drought conditions.
4. Updates to codes and standards, including the state's Model Water Efficient Landscape Ordinance.
5. Increased emphasis on outdoor water use efficiency.
6. Changing market saturation levels of various water-saving devices and behaviors.
7. CPUC regulatory updates regarding embedded energy credits which may create additional opportunities for collaboration between water and energy utilities.

8. The development of other local water supplies, such as recycled water.
9. Grant administration requirements, including program evaluations and timing.

Among the most significant external factors that will impact water-use efficiency needs at the member agency level is the state's development and implementation of its long-term water-use efficiency framework, "Making Water Conservation a California Way of Life." While the final implementation of the framework is still subject to pending legislation, the framework presently foresees:

- New agency-wide water-use targets for 2025 based on indoor residential use, outdoor irrigation and distribution system water loss.
- Compliance and enforcement provisions for water agencies based on these targets.
- New performance measures for commercial, industrial and institutional water users.

At the March 2017 Water Planning Committee meeting staff reported to the Board a preliminary schedule for drafting updates to the policy principles. Since that time, Water Authority staff has sought input on what parts of the policy principles may need updates from member agency conservation coordinators during monthly Joint Public Information and Conservation Coordinator meetings. Staff also sought input at the member agency managers meeting in July.

Feedback from the member agencies has been incorporated into the draft updates to the policies attached to this memo for discussion purposes. The proposed updates, shown in redline/strikeout format, generally reflect the following themes:

- Help member agencies and their customers comply with new regulatory requirements.
- Keep policy language at a high level to maximize flexibility and long-term relevance.
- Promote a balanced approach to water efficiency programs and funding.

Comments from committee members on the draft updates are welcome and appreciated. The Water Authority will seek additional input on final language from member agency staff and managers this fall, and the Board will consider a final set of proposed updates for approval by the end of the calendar year.

The Water-Use Efficiency Policy Principles will help guide staff as they evaluate and implement the Water Authority's water-use efficiency programs and outreach as part of its overall water supply reliability strategy.

Prepared by: Kelly Mooney, Senior Water Resources Specialist
Carlos Michelon, Principal Water Resources Specialist

Reviewed by: Jason Foster, Director of Public Outreach and Conservation

Approved by: Dennis A. Cushman, Assistant General Manager

Attachment:

Exhibit 1 - Draft 2017 Water-Use Efficiency Policy Principles

SAN DIEGO COUNTY WATER AUTHORITY

WATER-USE EFFICIENCY POLICY PRINCIPLES (DRAFT)

The San Diego County Water Authority is the ~~regional~~ wholesale water supplier for the San Diego region, serving 24 member retail water agencies. In this capacity, the Water Authority administers a slate of water-use efficiency programs and initiatives and advocates for related policies supporting the region's long-term water supply reliability. ~~is implementing the Best Management Practices required by California Urban Water Conservation Council (CUWCC), as required by the State's Urban Water Management Planning Act (Water code section 10630-10634)~~

~~The CUWCC's Memorandum of Understanding outlines that the signatory wholesale water agencies are responsible for the implementation and reporting of the Foundational best management practices (BMPs), which include utility operations programs, public outreach and education. When mutually agreeable and beneficial to a wholesaler and its retail agencies, the wholesaler may provide financial investments and build partnerships that expedite implementation of reasonable water conservation measures in urban areas.~~

The Water Authority ~~Board of Directors~~ Board of Directors has unanimously approved a strategy to enhance water supply reliability and reduce dependence on imported water supplies by diversifying its water resources, including water-use efficiency strategies. The board's ~~2010-2015~~ 2010-2015 Urban Water Management Plan ~~includes a goal~~ projects conservation to measures reducing demands by ~~13-11~~ 13-11 percent (~~103,000~~ 74,141 acre-feet) through water-use efficiency by 2020. This regional ~~goal estimate was developed using the Alliance for Water Efficiency Water Conservation Tracking Tool and includes estimated residential outdoor savings associated with Model Water Efficient Landscape Ordinance MWEL~~ O reflects the 20x2020 water use efficiency mandates for each of the Water Authority's 24 member retail agencies set by the State of California under SBX 7-7.

Implementation of the state's new long-term water efficiency framework will eventually replace the mandates under SBX 7-7. Executive Order B-37-16 sets a framework for long-term efficient water use that includes four goals: using water more wisely, eliminating water waste, strengthening local drought resilience and improving agricultural water-use efficiency and drought planning. The framework includes prohibitions on wasteful practices and a requirement for urban water suppliers to meet new water-use targets. Consequently, w~~Water-use efficiency will continue to play an important role in planning for future droughts and~~ managing the region's long-term water demand beyond 2020.

To guide the Water Authority on how to most effectively assist its member agencies in meeting the water-use efficiency requirements, the Water Authority Board of Directors has established policy principles for increasing water efficiency in the San Diego region. The Water Authority's policy principles provide staff direction, w~~When mutually agreeable and beneficial to a wholesaler and its retail agencies, the wholesaler may on actions that provide financial investments and build partnerships that expedite implementation of reasonable water conservation~~ use efficiency measures in urban areas. The policy principles include how the Water Authority may implement and administer regional water-use efficiency projects and programs where economies of scale, ~~geography~~ geographic considerations or other member agency circumstances make a regional program more efficient or cost-effective. The

principles also provide additional direction to Water Authority staff for the evaluation, prioritization, development and implementation of water-use efficiency projects or programs affecting the Water Authority, its member agencies, and/or regional water management and use. All policy principles are intended to be consistent with those positions advocated by the Water Authority's delegates at MWD.

SAN DIEGO COUNTY WATER AUTHORITY WATER-USE EFFICIENCY POLICY PRINCIPLES

MEMBER AGENCY SUPPORT – The Water Authority shall:

- a. Work cooperatively with its member agencies to provide regional programs that support the efforts of member agency retail water efficiency programs where appropriate ~~to assist retail member agencies to meet their water-use efficiency targets for 2020 established by SBX 7-7~~ and help member agencies meet any applicable regulatory requirements or targets.
- b. Implement and administer regional water-use efficiency projects and programs where economies of scale, geographic considerations or other member agency circumstances make a regional program more efficient or cost-effective.
- c. Implement and administer a slate of water-use efficiency programs that ensure proportional benefits for all member agencies.
- d. Provide opportunities for the member agencies and the Water Authority to discuss water-use efficiency practices, programs, policies and other related information; facilitate member agency access to resources from industry associations, state and federal agencies, and other external sources.

FUNDING/RESOURCES – The Water Authority shall:

- a. Continue to recognize that water-use efficiency offsets the need for providing additional water supplies, and therefore reflect water-use efficiency programs as a supply cost through its rate structure.
- b. Pursue a broad, cost-effective strategy for water-use efficiency that takes into account legislative and regulatory action, consumer response to water rates, and programmatic approaches that minimize ratepayer impacts.
- c. Ensure broad regional benefit of water-use efficiency programs funded and administered by the Water Authority.
- d. Ensure that the Water Authority and its member agencies receive an equitable share of all water-use efficiency programs funded by the Metropolitan Water District of Southern California.

- e. Advocate for water-use efficiency programs that provide broad regional benefits funded and administered by MWD, including compliance with Proposition 26 and all other legal requirements.
- f. Seek grants ~~from external organizations or~~ and other external funding where practical to offset or supplement operational funding of support water-use efficiency projects and programs consistent with these policies; ~~use grant funding to leverage or offset ratepayer investments in these programs when possible.~~
- g. Pursue collaborative partnerships with compatible agencies or organizations to maximize program benefits and potential for cost-sharing and development of water-use efficiency programs that offset the demand for imported water.
- h. Facilitate member agency access to water efficiency grant funding from state and federal agencies and other sources.

PROGRAM PERFORMANCE – The Water Authority shall:

- ~~a. Participate in the development and promote cost-effective implementation of Best Management Practices as prescribed by the California Urban Water Conservation Council and Demand Management Measures as defined in the Urban Water Management Planning Act.~~
- ~~ba.~~ Encourage market transformation and behavioral changes among regional water users that lead to sustainable, long-term improvements in regional water-use efficiency.
- ~~eb.~~ Promote cost-effective water-use efficiency programs in all water-use sectors.
- ~~ec.~~ Provide technical expertise to maximize success of Water Authority and member agency water-use efficiency efforts.
- ~~ed.~~ Evaluate and report to the Board, member agencies and other pertinent stakeholders on Water Authority water-use efficiency program performance.
- ~~fe.~~ Support the ~~research~~ development and testing of innovative water-use efficiency programs that have potential to help the Water Authority or its member agencies meet water-use efficiency requirements or goals.
- f. Advocate for and participate in research studies (i.e. saturation, end-use) that help direct water-use efficiency efforts.

OUTREACH AND EDUCATION – The Water Authority shall:

- a. Bring awareness to the region’s water users that ~~long-term water supplies are vulnerable and~~ using water efficiently is a permanent ~~and on-going~~ responsibility to

help the region manage its available water supplies, not just an action in response to drought or other temporary supply constraints.

b. Promote water conservation when extraordinary actions or behaviors are needed to save water during times of emergency or supply shortages.

~~bc.~~ Enhance outreach and communications to help the region's water users understand why water rates continue to increase despite lowering demands.

~~ed.~~ Increase awareness and demand for "WaterSmart" landscapes and other water-efficient products and services.

~~ee.~~ Promote and increase awareness ~~on~~of the use of alternative water supplies, ~~such as recycled water, greywater and stormwater~~ that can enhance the San Diego region's water supply reliability.

~~ef.~~ Provide regional communication tools for ~~residential, commercial and other water users~~all water-use sectors to help them learn more about how they can improve their water-use efficiency and direct them to available resources to help them achieve it.

~~fg.~~ Participate at the state and national level to facilitate and advance improved water-use efficiency standards and products.

REGULATION/LEGISLATION – The Water Authority shall:

- a. Sponsor and support appropriate water-use efficiency-related legislation in accordance with the Water Authority's current Legislative Policy Guidelines.
- b. Update the Legislative Policy Guidelines related to water-use efficiency as necessary to reflect changing water supply or other circumstances.
- c. Advocate for national, state, and regional water-use efficiency policies and regulations that are compatible with the needs of the Water Authority and its member agencies and support the economic productivity of San Diego County, and the quality of life for its residents.
- d. Advocate for and facilitate improved resources and education for those responsible for implementing and enforcing compliance with water-efficiency regulations.



August 3, 2017

Attention: Water Planning Committee

Review of Current Water-Use Efficiency Program Priorities. (Discussion)

Purpose

Review and discuss member agency feedback on how the core focus areas of the Water Authority's regional water use efficiency programs align with current member agency and customer needs.

Background

The Water Authority has periodically re-evaluated the strategic focus of its water-use efficiency programs to ensure its program portfolio adapts to changing conditions (droughts, state mandates, evolving market conditions, rising water rates, etc.), which ultimately impact the needs of the region's member agencies and water users.

The most recent strategic program review occurred in 2010. At that time, the Water Authority sought feedback from member agencies to identify what long-term "core" programs were needed to help them achieve a new state mandate to reduce urban per capita water consumption 20 percent by 2020. With input from member agency staff and managers, in December 2010 the Board directed staff to implement programs and support efforts in the following five core areas:

1. Residential Surveys and Landscape Audits
2. K-12 Educational Programs
3. MWD Device-Based Incentive Programs
4. How-To Resource Tools
5. Grants and Partnerships

The Water Authority subsequently re-sized its program portfolio and budget to match these priorities. Since then, over the last seven years, the scope of regional water use efficiency program offerings has aligned with these core priorities, while specific programs have evolved over time (programs added or discontinued) due to factors such as fluctuations in grant availability, changing market conditions or evolving customer needs.

Table 1 highlights how the most prominent of the Water Authority's water-use efficiency programs and initiatives correlate to the five core focus areas.

Table 1. Highlights of the Water Authority’s Current Water Use Efficiency Programs Supporting Core Activities					
Programs	Surveys & Audits	K-12 Education Programs	MWD Device-Based Incentive Programs	“How-To” Resource Tools	Grants & Partnerships
WaterSmart Field Services	•				
Agricultural Water Management Program	•				
School Assembly Theatrical Program		•			
Splash Science Mobile Lab		•			
Socal WaterSmart Incentives (residential and commercial devices)			•		
Water Saving Incentive Program			•		
Qualified Water Efficient Landscaper Training (QWEL)				•	
WaterSmart Landscape Makeover Program				•	
SDG&E Water-Energy Partnership					•
Home Depot Plant Fairs (and other partnerships)					•
Sustainable Landscapes Program				•	•
Artificial Turf Discount Program					•
WaterSmart Landscape Efficiency Program				•	•

Discussion

In early 2017, as statewide water supply conditions began to improve following a five-year drought, the Governor released a new long-term regulatory framework for statewide water-use efficiency. This triggered staff’s current efforts to again strategically review the Water Authority’s water use efficiency program priorities. Additional factors and considerations prompting this review include:

- Recent reductions in regional water use (regional gallons per capita per day (GPCD) water use has fallen from 152 GPCD in 2010 to 119 GPCD in 2016 following the implementation of drought-related emergency water-use reduction mandates)
- Updates to the state’s Model Water Efficient Landscape Ordinance
- Increasing focus on sustainable landscaping practices
- Changing market saturation levels of various devices and behaviors
- California Public Utility Commission regulatory updates regarding embedded energy credits that may create new opportunities for water-energy utility collaboration

Public Outreach and Conservation staff began the process for reviewing the programmatic focus areas after the Governor released the final statewide long-term framework for water-use efficiency in April. Water Authority staff discussed and solicited member agency feedback on these program priorities and the potential impacts of the factors listed above during Joint Public Information Council/Conservation Coordinator meetings between May and July. In addition, staff reviewed the findings from these meetings with member agency managers in July.

Input received from member agencies thus far indicates that the Water Authority's water use efficiency core focus areas established in 2010 continue to be relevant and appropriate. While many regulatory, market and other conditions have changed considerably over the past seven years, member agency staff supported continuing the ongoing balanced approach as the best, most flexible way to promote water-use efficiency and ensure appropriate resources are available to assist customers and help agencies align with the state framework's requirements, which are still subject to pending legislation.

While the overall priorities remain unchanged, staff collected suggestions for several refinements to the core focus areas. For example, member agencies expressed support for tailoring water-use survey and audit programs to the needs of commercial, industrial and institutional (CII) customers. It's anticipated these services may be needed to help customers adapt to future CII water efficiency standards that are contemplated in the state's framework.

Member agencies also supported continuing ongoing regional program support activities, including program research and evaluations, providing community outreach, and facilitating member agency grant and partnership opportunities.

Water Authority staff will continue to gather member agency feedback on these program priorities this fall and bring a final recommendation for the Board's consideration and approval before the end of the calendar year.

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