

CENTRAL BASIN MUNICIPAL WATER DISTRICT

NOVEMBER 9, 2006 - Communications

Apodaca, Vasquez

NOVEMBER 28, 2006 - Board Meeting

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ACTION CALENDAR

CONSERVATION MASTER PLAN IMPLEMENTATIONSUMMARY:**The Conservation Master Plan Implementation**

The Conservation Master Plan (CMP), adopted in July 2006, focuses on building partnerships, revamping current conservation programs and targeting new measures to maximize water-efficiency over the next five years. While the plan provides a course of action for implementing the various conservation programs, it is also flexible, allowing the District to evaluate and adjust programs as needed. In addition to the implementation of the CMP, plans to work with local civic organizations, MWD and public utilities to bring resources to the District's service area continue to progress.

The CMP highlighted five measures which Central Basin's conservation efforts should focus on: 1) Zero Consumption Urinal Installations, 2) Residential High-Efficiency Toilet (HET) Distributions and Rebates, 3) Save A Buck Program, 4) Cooling Towers and 5) Industrial Process Incentives. The five measures provide a balance between the residential and the Commercial Industrial Institutional (CII) programs by strategically allocating staff time and funding to ensure maximum incentives for the customers.

For this fiscal year, \$75,000 was budgeted to obtain consultant services to implement the CMP, and a consultant has already been hired with the Board's approval last month. Based upon staff's research and market survey, additional funding is needed to increase incentives for the CII customers to encourage participation. The recommended additional funding for this fiscal year will cover only those measures listed in "Exhibit A" that are set for implementation during FY 2006-07.

Staff will work closely with MWD and its vendor Honeywell to implement a targeted marketing effort as well as work in partnership with Southern California Edison and the Southern California Gas Company to streamline the incentive process to encourage higher participation.

The following is a summarized action plan for programs scheduled to begin in Year One (FY 2006-07) and information on additional conservation efforts:

**Residential High-Efficiency Toilets Program**

In FY 2006-07, Central Basin began distributing HETs instead of the Ultra-Low Flush Toilets (ULFT) based on higher water-savings and increased incentives from MWD. Compared to the \$60 ULFT incentive, MWD provides a \$165 incentive for HETs, plus an additional \$100 from Department of Water Resources (DWR). Currently, the District has an agreement with the Oldtimers Foundation to pay them a \$73 administrative fee per unit to market and coordinate the

free distribution events and a \$15 administrative fee to administer the rebate program. The balance pays for the HET.

The HET distribution and rebate program is scheduled for the next five years with the planned distribution of 2,500 HETs annually. Potential partnerships with municipalities such as the City of Norwalk and retail agencies, such as Park Water Company, may provide funding for additional HETs in FY 2006-07. In October, the Water Replenishment District (WRD) Board of Directors approved \$36,500 to partner on distribution events for FY 2006-07. Agencies partnering with Central Basin are able to take advantage of MWD's incentive and are only responsible for the administrative fee of \$73 per HET, which will be specified in a written agreement.

This program continues to be one of the District's most popular programs with the highest participation rates. The continuance of this program has no additional fiscal impact since the funding for the distribution/rebate programs has been budgeted.

### **Commercial Industrial Institutional: *Save Water – Save A Buck Program***

The "Save Water - Save A Buck" program (*Save A Buck*) has been offered by MWD through member agencies to commercial, industrial and institutional (CII) customers since 2001. MWD allocates funding for commercial ULFTs and HETs, Zero Consumption Urinals, High-Efficiency Commercial Clothes Washers (HECCWs) and several other commercial devices through its vendor Honeywell. Through the *Save A Buck* program, CII customers receive rebates on a variety of measures from MWD by filling out an application form. Market research shows that while the potential for water-savings is high, the participation rate in the region has been typically low. Based on trends, increase in incentives and local targeted marketing are key factors in promoting participation.

The District's goal in increasing the CII program will be to assist customers with start-up costs by providing additional incentives on top of the MWD incentive for the most feasible programs. Honeywell will provide staff with monthly performance updates to evaluate the success of the program.

Adding to incentives will create heightened interest by CII customers to retrofit certain devices and will allow Honeywell to focus its marketing efforts within Central Basin territory. WRD has also allocated a total of \$75,000 to the *Save A Buck* program for FY 2006-07 for Central Basin's service area. The chart attached as "Exhibit B" lists the devices under the *Save a Buck* program with total incentives, including the recommended increases for Central Basin.

In selecting the CII devices for increased incentives, staff consulted with MWD and several consultants to identify the most cost-effective measures. One of the most cost-effective devices identified is the commercial HETs. Placing HETs in commercial areas yielded higher water-savings than in residential areas due to heavier foot traffic. Adding \$100 to MWD's \$165 incentive will make commercial HETs more affordable to CII customers by offering them a total rebate of \$265 per unit, which cost between \$200 and \$1000.

Staff recommends allocating an additional \$15,000 for the rebate of 150 commercial HETs. Increases for other devices under the *Save A Buck* program are expected in the next fiscal year.

### **Comprehensive Laundromat**

Southern California Edison (SCE) and the Southern California Gas Company (SCGC) provide incentives and direct installation of energy and thermal saving devices through a Laundromat Program operated by their vendor Cal Ucon. Recently, Honeywell entered into agreement with Cal Ucon to provide laundromat owners with one comprehensive laundromat program to streamline the rebate process. In addition, WRD will be adding \$200 to the High-Efficiency Commercial Clothes Washers (HECCW) rebate for FY 2006-07. This collaborative effort will make the program more appealing to many businesses and should increase participation.

To ensure that Central Basin's laundromats participate in the program, staff recommends allocating an additional \$200 to each HECCW rebate. Combining all monies from the various partnerships will provide customers in Central Basin's service area with a total incentive of up to \$660 to purchase a HECCW.

Based on the database developed from the CMP, there are at least 28 laundromats with dozens of clothes washers in Central Basin's service area that can benefit from this program. An annual production goal of 200 HECCW rebates through this program will retrofit almost all laundromats within two years. Considering the goal of the program, staff recommends the allocation of \$40,000 for the HECCW incentive for FY 2006-07.

A one-to-two month start up time would be required to coordinate with MWD and SCE/SCGC. Six months after the establishment of the program and contact with customers, staff will evaluate the success of the program to determine if a portion of the funding needs to be redirected to direct marketing. The Laundromat Program is scheduled to begin in Year One and end after Year Two.

Staff recommends an additional allocation of \$40,000 for FY 2006-07 for HECCW rebates to promote the participation of the Comprehensive Laundromat program.

### **Zero Consumption Urinal Installation Program (Proposition 13)**

Funding through the Proposition 13 grant from DWR in the amount of \$780,000 provides Central Basin's customers with direct installation of 2,600 Zero Consumption Urinals, providing both device and the installation at no cost to the customer. Falcon Waterfree Technologies was hired to market, furnish and install the urinals to commercial sites in the District's service area. To date, Falcon has installed 1,734 zero consumption urinals.

This program is scheduled to end June 2007, and to ensure the success of the program, staff will continue to work closely with Falcon. No additional funding is needed for this program.

### **Wireless Valve Controllers (Proposition 50)**

The Wireless Irrigation Pilot Program is funded by the Proposition 50 Water Use Efficiency Grant from DWR. The research grant is to test a patented wireless irrigation technology developed by HydroEarth that allows for water-savings as well as water pressure manipulation during times of severe drought or emergency. Central Basin continues to work with HydroEarth to market the technology to local cities and school districts.

This Pilot Program began in February 2006 with a funding amount of \$164,052 from DWR and is scheduled to end June 2008.

## **Partnerships**

### Western Carwash Association

One of the primary goals of the implementation plan is to foster partnerships and expand conservation programs in collaboration with purveyors, municipalities, MWD, local associations and surrounding agencies. Working together with other agencies, Central Basin will expand its conservation portfolio and offer its customers a network of conservation programs with minimal fiscal impact on the District.

As part of new partnership efforts, staff is working with the Western Carwash Association (WCA) to launch a Professional Carwash Fundraising program, coined by Central Basin as "Wash & Cash". The main goal of the program is to encourage Community Based Organizations (CBOs) to have fundraising carwashes at professional carwash sites instead of parking lots. Professional carwashes that are members of the WCA reuse water many times and treat all the water before depositing it into the sewage. Parking lot carwashes, on the other hand, waste water and allow contaminated water to run into the storm drain.

Staff's goal is to have several CBOs and carwashes on board with the "Wash & Cash" program to test the program during the spring. Central Basin along with its member agencies and CBOs will collaborate to distribute information about the program at HET events, via bill stuffers, web sites and newsletters. Through these avenues, customers will be informed of the environmentally friendly and water-saving aspects of the "Wash & Cash" program versus traditional parking lot carwash fundraisers.

### Living Wise

Recently, an opportunity to partner with SCE and SCGC also became available through Living Wise, a third party contractor of SCE and SCGC, to provide elementary students with energy, thermal and water-saving devices. Through the Living Wise program, conservation, education and public outreach are combined under one cost-effective package. Living Wise also provides all participating agencies with a Program Summary Report at the end of the program to show resource savings.

Living Wise program targets about 1,600 six graders in SCG and SCE's service area. The District's participation in the program will establish a formal partnership with SCG and SCE and provide local students with the latest in water/energy-efficient devices that they can share with their families. The cost of the program is \$45 per student, and the District's contribution would be \$15 per student.

The funds allocated to this program are spent based on participation. Staff recommends an allocation of funds in the amount of \$25,000 to provide the Living Wise conservation program to 1,600 students in approximately 16 schools for FY 2006-07 through FY 2007-08.

### Water/Energy

On October 16, the Public Utilities Commission announced Commissioner Grueneich's ruling on the embedded energy savings related to water efficiency. The ruling, which still needs to be approved by the rest of the commissioners, mandates that no later than January 15, 2007, the investor owned utilities (Pacific Gas & Electric Company, San Diego Gas & Electric Company, SCE and SCGC) form a partnership with a large water provider to fund a joint pilot program,

demonstrating the regional benefits and savings of water/energy collaboration. Central Basin is working closely with MWD to develop a regional strategy and working group to ensure that the deadline is met. Updates will be provided to the Board on a regular basis.

### **Future Programs**

The following programs are currently available to Central Basin's customers through MWD. However, staff anticipates adding funding and resources to these programs beginning in FY 2007-08. Staff will return to the Board of Directors with recommendations in preparing for the FY 2007-08 budget.

#### Cooling Towers

The Cooling Tower program gives building owners a financial incentive to retrofit their cooling towers with either a conductivity controller or a Ph controller. Both controllers achieve water savings with the Ph controller saving the most water. Based on the data gathered for the CMP, there are 256 buildings in Central Basin's service area that may benefit from this program.

Central Basin will continue to work with MWD and Honeywell to process rebates. The amount of financial incentive MWD currently provides is sufficient to cover most of the expenses associated with buildings retrofitting their cooling towers.

The Cooling Tower Program is scheduled to begin in Year Two.

#### Industrial Process Audits and Incentives Program

Water used in the industrial sector for manufacturing is known as process water. Process water use comprises approximately 18% of all CII use yet few, if any, water conservation programs have been directed solely at process water use in the industry. Currently through MWD, incentives are available to approximately 1,562 potential industrial customers in Central Basin's territory. The District will focus on this program starting FY 2007-08.

#### FISCAL IMPACTS:

Funding for these programs have not been budgeted for FY 2006-07:

Save A Buck – Commercial HET Rebates	\$15,000
Comprehensive Laundromat - HECCW Rebates	\$40,000
<u>Living Wise Program</u>	<u>\$25,000</u>

**Total for FY 2006-07** **\$80,000**

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### COMMITTEE STATUS:

This item was reviewed by the Communications Committee on November 9, 2006 and was recommended for approval at the November 28, 2006 Board meeting.

RECOMMENDED MOTION:

That the Board of Directors authorize the General Manager to allocate additional funding in the amount of \$80,000 to implement the recommended CMP implementation strategies.

EXHIBITS:

Exhibit "A" - Conservation Measures Timeline  
Exhibit "B" - Save A Buck Incentive Allocations

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# **EXHIBIT “A”**

**Exhibit A  
Conservation Measures Timeline**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Residential</b>					
HET Distributions & HET Rebates					
<b>Save A Buck Commercial Incentives</b>					
Pre-rinse Spray Valve					
Commercial HET Rebates					
Laundromat Retrofit					
Wireless Valve Irrigation Controller					
Conductivity Controller Incentives					
Industrial Process Incentives					
<b>Zero Consumption Urinal Installations</b>					
<b>Projected Annual Water Savings</b>	<b>236</b>	<b>228</b>	<b>315</b>	<b>370</b>	<b>370</b>

All of the above programs are currently being offered by Central Basin through MWD. Dashed arrows indicate the programs where Central Basin will not incur additional costs, and the solid arrows indicate where the District should increase funds.

# **EXHIBIT “B”**

**Exhibit B**  
**Save A Buck Incentive Allocations (Not including residential & partnership programs)**

Description	MET	WRD	SCE/SCG	Central Basin	Total CB, WRD, CU and MET	# of rebates budgeted	Total Budget for CB	
ULF Toilet 1.6 gpf ( Flushometer type)	\$135.00	\$0.00			\$135.00			
ULF Toilet 1.6 gpf ( Tank type)	\$135.00	\$0.00			\$135.00			
HET Dual Flush Toilet (Flushometer)	\$165.00	\$0.00		\$100.00	\$265.00	25	\$2,500.00	
HET Dual Flush Toilet (Tank)	\$165.00	\$0.00		\$100.00	\$265.00	25	\$2,500.00	
HET 1.28 gpf or less Toilet (Flushometer)	\$165.00	\$0.00		\$100.00	\$265.00	50	\$5,000.00	
HET 1.28 gpf or less Toilet (Tank)	\$165.00	\$0.00		\$100.00	\$265.00	50	\$5,000.00	
HET Upgrade/New Construction	\$30.00	\$0.00			\$30.00	0	\$0.00	
HEU Urinal 0.5 gallons or less	\$200.00	\$0.00			\$200.00	0	\$0.00	
Zero Water Consumption Urinal	\$400.00	\$0.00			\$400.00	0	\$0.00	
HE Comm. Clothes Washer	\$130.00	\$200.00	\$130.00	\$200.00	\$660.00	200	\$40,000.00	
Conductivity Controller	\$625.00	\$0.00			\$625.00		\$0.00	
PH Controller	\$1,900.00	\$0.00			\$1,900.00		\$0.00	
Pre-Rinse Spray Heads	\$60.00	\$50.00			\$110.00		\$0.00	
Water Broom	\$150.00	\$100.00			\$250.00		\$0.00	
X-Ray Recirculating System	\$3,120.00	\$2,000.00			\$5,120.00		\$0.00	
Connectionless Food Steamers	\$485/Per Compartment			\$0.00	\$485.00		\$0.00	
WBIC	\$630/Acre			\$0.00	630/acre		\$0.00	
<b>Total Funding for CII programs in FY 06/07</b>							<b>\$75,000</b>	<b>\$55,000</b>