

A photograph of a wooden roof structure under construction, showing the intricate framework of beams and trusses against a clear blue sky.

**ITEM 14. CONSIDER FIRST READING OF
ORDINANCE NO. 149, AN ORDINANCE OF
THE BOARD OF DIRECTORS AMENDING THE
REBATE PROGRAM**



Meeting Date: August 15, 2011
Contact: Stephanie Pintar

Summary

- Ordinance No. 149 amends Rule 141, Water Conservation Rebates.
- The ordinance increases the rebate amounts for Residential and Commercial High Efficiency Clothes Washers (HECW), eliminates the Rebate for Synthetic Turf and Rain Sensors, and reduces the amount of the Rebate for Lawn removal.
- The ordinance also adds a definition to MPWMD Rule 11 for Commercial High Efficiency Clothes Washer and deletes language in Rule 141-B that was inadvertently omitted during adoption of Ordinance No. 148 in April 2011.



Clothes Washer Rebate

- The Water Demand Committee recommended the increase in the HECW Rebate to encourage more clothes washer replacements with water efficient models.
- The price of a new HECW ranges from approximately \$500 to \$2,000.
- Increasing the Rebate for HECW to \$500 will literally pay for a new water efficient clothes washer.
- Increasing the Rebate for HECW to \$500 is still cost-effective for the Rebate Program, based on the cost of producing water on the Monterey Peninsula.
- An individual purchasing a HECW for \$500 could expect to save approximately 105 units of water per year at a cost of \$0.46/unit in the second residential rate tier. Energy savings also contribute to the customer's monetary benefit.



Clothes Washer Rebate

- The proposal to increase the Commercial HECW Rebate from \$450 to \$1,000 is due to the cost of purchasing commercial laundry equipment.
- The cost of a Commercial HECW is \$1,500 or more per machine and includes coin-operated washers used in commercial laundromats, hotels/motels and in apartment complex common laundry rooms.
- These appliances are designed for heavier use and are more expensive than the residential models.
- Increasing the Rebate for Commercial HECW to \$1,000 will increase the cost of water savings to approximately \$860/AF, far below the cost of water in the California American Water system.
- As proposed, a Site would be limited to Rebates for no more than 20 Commercial HECW, with a provision that the applicant could seek pre-approval for additional Rebates from the General Manager.

Lawn Removal Rebate

- The Water Demand Committee recommended that the Lawn removal Rebate be reduced from \$1.25/square-foot to \$1.00/square-foot and that the Rebate for Synthetic Turf be eliminated.
- Estimated water savings for the Lawn Removal Rebate Program is 9 acre-feet each year. The program ran from January 2010-March 2011, with over \$178,000 issued in Rebates.
- The reduction in the Lawn removal Rebate will accommodate a higher number of Lawn removal Rebates in the future.
- The Synthetic Turf Rebate was eliminated due to comments received from the public and representatives of the local Jurisdictions regarding environmental concerns related to Synthetic Turf.

Rain Sensor Rebate

- The Rebate for Rain Sensors has been eliminated in the draft ordinance.
- A requirement that Rain Sensors be installed on all automatic Irrigation Systems prior to Change of Ownership, Change of Use or Expansion of Use, as well as in all New Construction, was added to the District Rules, effective January 1, 2010.
- Rain Sensors and installation are available for free to California American Water's high use and dedicated irrigation meter customers.
- The elimination of the Rain Sensor Rebate was agreed upon by MPWMD, California American Water and the California Public Utilities Commission's Division of Ratepayer Advocates (DRA) during discussion regarding the 2012-2014 General Rate Case.



Ordinance Review

- On July 21, 2011, the Water Demand Committee recommended the Board approve the proposed amendments to the Rebate Program.
- The Technical Advisory Committee (TAC) reviewed the ordinance on August 2, 2011, and recommended approval.
- A copy of the ordinance has been provided to California American Water and to the Division of Ratepayer Advocates of the Public Utilities Commission.

Recommendations

- Staff recommends the Board adopt the first reading of Ordinance No. 149.
- The Rebate Program within the California American Water (CAW or Cal-Am) system has been suspended pending future funding through the California Public Utilities Commission (CPUC).
 - Funding for rebates in the amount of approximately \$2.1 million is anticipated in January 2012, necessitating amendments to the program at this time for implementation by January.
- This ordinance is exempt from CEQA pursuant to Class 1, 15301.

For More Information

Staff reports, ordinances and presentation materials can be found on the District's website at:

www.mpwmd.net

PowerPoint presentations will be posted on the website the day after the meeting