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General Manager

September 14, 2015

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Attention: Councilmember Felipe Fuentes
Chairperson, Energy and Environment Committee

Honorable Members:

Subject: Council File No. 15-0501 (Motion) – Follow-up Request to Report on the
Los Angeles Department of Water and Power's (LADWP) Home Water
Report Pilot Study (Pilot Study)

This report was prepared in response to the Motion made by Councilmembers Felipe Fuentes and Bob Blumenfield on May 6, 2015, requesting LADWP to report on the Pilot Study currently conducted in partnership with WaterSmart Software (Consultant). The Energy and Environment Committee requested that LADWP report on how the Pilot Study is progressing and associated efforts made to encourage water use reduction.

Background

In December 2014, LADWP initiated the Pilot Study, a behavior efficiency program that aims to educate customers through focused outreach about their water use and the need to conserve. The Pilot Study engages with customers through Home Water Reports. A Pilot Study group of 20,000 randomly selected single family customers are now receiving bi-monthly Home Water Reports.

Home Water Reports contain simple and easy to understand language about how customers can improve efficiency, conserve water, and better manage their water consumption. Home Water Reports also detail how much water the customer is using, how they compare to homes of similar size and climate, and the water reduction required to achieve efficient levels. Home Water Reports also contain customized water saving tips and rebate recommendations.

In addition, the Pilot Study group has access to an Online Web Portal. This Online Web Portal contains detailed water use information for each customer. Using the Online Web Portal, the customer can obtain information on their historical water usage trend, estimated breakdowns of water use by indoor and outdoor categories (such as outdoor watering versus laundry use), and additional educational resources on how to save even more water.

The Pilot Study will run for 12 months. During this time, LADWP will analyze the program's conservation potential. At the Pilot Study conclusion, LADWP will evaluate performance results and determine the business case for creating a program which expands across the single family sector.

Home Water Reports

A sample Home Water Report is enclosed in Exhibit A. Single family homeowners in the Pilot Study group are each receiving similar personalized bi-monthly Home Water Reports. Each Home Water Report is generated from billing information, collected from our meter reads, and shared with the WaterSmart Consultant.

Water Score and Comparison to Other Households

Home Water Reports display billing data as an average gallons per day (GPD) water score. This is compared to two scores: one for "average" and one for "efficient" households. Comparisons are made with their "neighbors," which include City of Los Angeles (City) homes of similar size, occupancy, and climate zone.

This provides customers with a benchmark of how efficient their water use is. The WaterSmart Consultant's experience indicates that this provokes a competitive behavior response from the customer, and generates more engagement with the Pilot Study.

Water Saving Tips and Recommendations

Homeowners are encouraged to reduce their water use through the customized conservation messaging at the bottom of their individualized report. New messaging is placed into this section bi-monthly for each Home Water Report. The Pilot Study gathers information from LADWP's rebate history database, and displays information on applicable rebate opportunities that have not yet been pursued by the homeowner. The messaging area also provides water saving tips and links to YouTube tutorials on topics such as identifying and fixing leaks, water-wise landscaping tips, and reducing water usage in pools.

Customizable LADWP Messaging

Home Water Reports allow for customizable LADWP messaging on the right side of each report. LADWP has used Home Water Reports to educate the Pilot Study group about watering restrictions in effect per the City's Emergency Water Conservation Ordinance and the City's overall need to conserve to achieve the State Water Resources Control Board's target of 16 percent water use reduction for the City.

Online Web Portal

A sample of the Online Web Portal is attached as Exhibit B. Pilot Study group participants who sign-up for the Online Web Portal can access numerous additional features which provide more insight into their water use and recommended ways to conserve.

Historical Water Usage Graph

Customers can use this graph to track their historical usage trends, better understand differences in their seasonal water use patterns, and become aware of possible leaks in their home. Ability to see their historical water use can also be a key analytical tool for seeing how their water conservation efforts are affecting their water usage levels over time.

Water Use Breakdown Pie Chart

Customers can use this pie chart to see an approximation of their water use profile. The software uses County Assessor data and existing water conservation studies to compile this chart based on variables such as lot size, building footprint, household size, climate, and typical home water-use behaviors. Water use profile is broken down into the following key categories:

- Irrigation
- Toilets
- Showering
- Clothes Washing
- Faucets

Detailed Conservation Recommendations List

The Online Web Portal also lists possible actions the customer can take to improve water use efficiency, such as the many rebates and incentive programs offered by LADWP. As the County Assessor data helps the customer understand how their water is being used, our historical data from previous rebate programs allows us to target the customer with the most appropriate conservation recommendations. WaterSmart ties all this together and suggests specific conservation actions, and shows the customer how much water these actions will save each year.

WaterSmart will only recommend programs that the customer has not yet signed up for. For example, if the customer already participated in the Cash in Your Lawn program, the Online Web Portal will focus on other conservation programs and water saving ideas. This helps keep our messaging current and well-tailored for the particular customer.

Other Agencies Experiences

Several California water utilities have performed pilot studies of Home Water Report programs, and many have used WaterSmart. Data and feedback from the other water agencies is promising and has been observed to record water conservation savings between three and six percent. As of April 2015, WaterSmart has undertaken or completed pilot studies with some local water agencies such as, Santa Monica, Irvine Ranch Water District, Huntington Beach, Newport Beach, Glendale, and Burbank. Following are the results from some agencies who have completed pilot studies.

East Bay Municipal Utility District (EBMUD)

EBMUD completed a pilot study with WaterSmart during calendar year 2012-2013. Their program had over 10,000 participants and ran for one year. After completion of their study, they recorded a five percent reduction in water consumption from the customers receiving reports, versus the control group. Customers receiving reports were more than twice as likely to participate in other water EBMUD conservation programs.

Irvine Ranch Water District (IRWD)

IRWD implemented a one year pilot study during fiscal year 2012-2013. The pilot study targeted approximately 1,000 single family customers to receive monthly water reports, with additional customers selected as a control group. Evaluation of the pilot study indicates that homes receiving monthly water reports used 2.3 percent less water than the control group. Moreover, the experimental group was less prone to going over allocation each month compared to the control group.

Summary

LADWP's Pilot Study will run until the end of 2015. After analyzing data results, LADWP will determine the conservation potential of running Home Water Reports. The Pilot Study group is currently receiving their third Home Water Report. Early signs are positive, and with the data and feedback from other agencies, LADWP anticipates that Home Water Reports will be a cost-effective water conservation outreach tool for focused messaging to single family customers.

To date, the most common reason for contacting LADWP relating to this Pilot Study is to inquire about the neighbor comparison. The majority of calls and e-mails are positive in tone and show that people are genuinely concerned with conserving water and typically, customers want to know how they can best increase their own household efficiency.

LADWP staff provides customer support and information to improve their water use efficiency. Customers desire to find ways to achieve more efficient home water use, and LADWP has been able to guide these customers directly with rebate information, leak location tips, and assistance in planning their California Friendly Landscaping projects.

Additionally, we have provided in person water audits. A staff member will visit with the customer's home and talk them through their water using appliances and how best to manage their use. In these cases customers are able to identify faulty or malfunctioning valves, and are able to set up their landscaping irrigation to comply with the City's Emergency Water Conservation Ordinance while at the same time keeping their plants and trees alive.

If you have any questions or require additional information, please contact me at (213) 367-1338, or have your staff contact Ms. Winifred J. Yancy, Director of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Marcie L. Edwards
General Manager

PF:yrp
Enclosures

The Honorable City Council

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c/enc: Councilmember Bob Blumenfield, Vice-Chair, Energy and Environment Committee
Councilmember Paul Koretz, Member
Councilmember Gilbert A. Cedillo, Member
Councilmember Mitch O'Farrell, Member
Ms. Sharon Gin, Legislative Assistant

Ms. Winifred J. Yancy

Exhibit A – Home Water Report



WaterSmart Program
111 N. Hope St.
Room 1463
Los Angeles, CA 90012

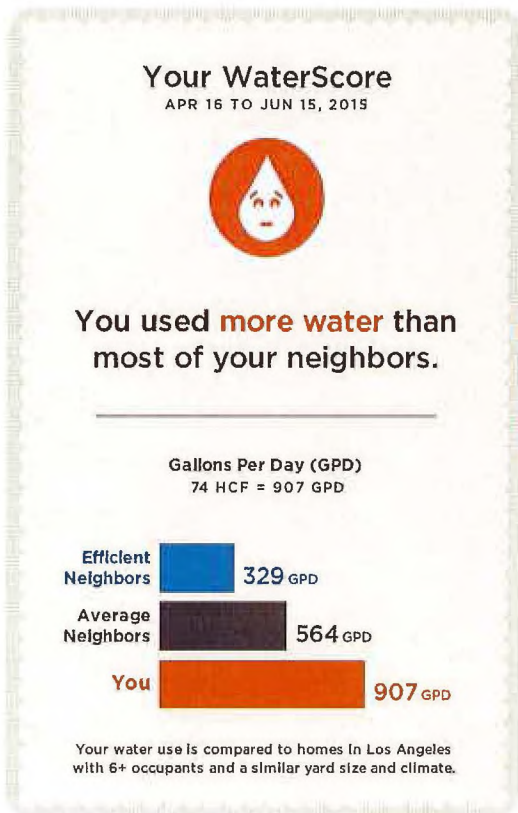
1-800-DIAL-DWP waterinsight@ladwp.com

YOUR HOME WATER REPORT

THIS IS AN INFORMATIONAL REPORT AND NOT A BILL.

SERVICE ADDRESS: 1036 Sonoma Ave
ACCOUNT NUMBER: 123-4567-89

SIGN UP TO GET THIS REPORT VIA EMAIL:
ladwp.com/waterinsight



<RecipientID>ladwp817592</RecipientID>

LADWP Custom Messaging

Help LADWP reach our target!

- State Water Board regulations mandate a 16% water use reduction for LADWP. Please help.
- ✓ Follow Water Conservation Ordinance restrictions
 - ✓ Reduce outdoor water use by switching to California Friendly Landscaping
 - ✓ Replace inefficient indoor plumbing fixtures with high-efficiency fixtures
 - ✓ Rise up to the Mayor's call and voluntarily reduce outdoor watering to 2 days per week or less

Water Conservation Ordinance

- Irrigate lawns no more than 3 days per week
- Do not water between the hours of 9am-4pm
- Use a self-closing shut-off device on hoses
- Repair leaks in a timely manner

Visit LADWP's website, ladwp.com/wc, for more details, other prohibited uses, tips, and rebates.

Water-saving actions just for you

Selected based on your household characteristics, yard size, and historical water use.

Log on to update your profile

Potential annual savings if you:



Log On

Take the guesswork out of saving water. See:

- Where you're using the most
- All actions relevant to you
- Step-by-step tips and rebates

ladwp.com/waterInsight

A free service offered by your water utility and powered by WaterSmart Software®

Exhibit B – Online Portal

Neighbor Comparisons

Home
Track Usage
Ways To Save
My Actions

! We can give you much better recommendations if we know just a bit more about you. [Add to your household profile.](#) 0% complete

Compare Your Use: December – January

294 GPD You

206 GPD Average Homes

128 GPD Efficient Homes

Compared to homes with [similar water needs.](#)

Recommended Water Saving Actions

	Choose low water-use plants + Start action	47 <small>gpd</small> \$40/year
	Install High-Efficiency Toilets + Start action Rebate!	37 <small>gpd</small> \$32/year
	Install Faucet Aerators + Start action	19 <small>gpd</small> \$33/year

Customized Recommended Actions

WaterSmart Program

WaterSmart Program

Impersonating a registered user

Welcome, Jackson

[My Account](#)

Profile 5% complete. [Update](#)

Home
Track Usage
Ways To Save
My Actions

! We can give you much better recommendations if we know just a bit more about you. [Add to your household profile.](#) Profile 5% complete. [Update](#)

Recommended (0)
Cash Back (5)
Outdoor (26)
Indoor (28)
All (54)

Recommended Actions

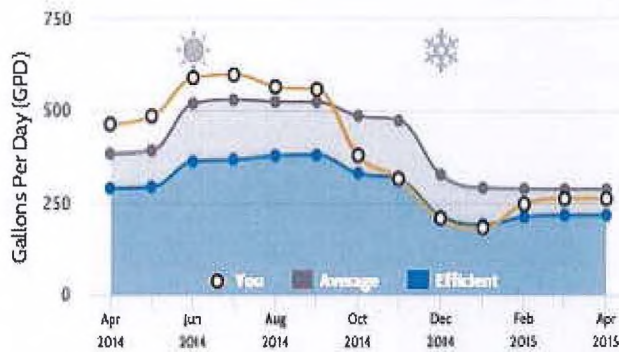
Customized based on your [Household Profile.](#)

<p>Choose California friendly plants Recommended</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 126 <small>gpd</small> \$544/year</p>	<p>Upgrade Your Irrigation Controller</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 38 <small>gpd</small> \$165/year</p>	<p>Install High-Efficiency Toilets Recommended</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 35 <small>gpd</small> \$149/year</p>
<p>Water at Dawn or Dusk</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 29 <small>gpd</small> \$123/year</p>	<p>Install Faucet Aerators</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 19 <small>gpd</small> \$104/year</p>	<p>Minimize Fertilizer Use</p> <p>+ Start action</p> <p>Save for later</p> <p>Savings up to... 17 <small>gpd</small> \$72/year</p>

Water Use Analytics: Historical Usage Graph and Water Use Breakdown Pie Chart

[Home](#)
[Track Usage](#)
[Ways To Save](#)
[My Actions](#)

Comparing Your Use: Last 12 Months



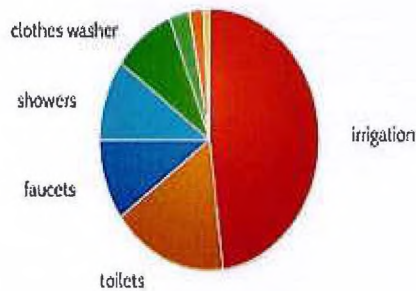
Strong seasonal use and irrigation

You use more than double the water in the summer than in the winter, most likely due to irrigation.

See [outdoor actions](#) you can take to reduce this high summer use.

Breaking Down Your Use: Last 12 Months

Estimated based on your [household profile](#).

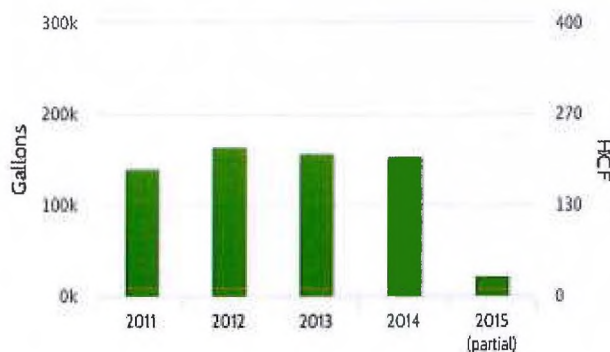


Watch your irrigation

Your biggest estimated use is irrigation at 48%. The amount of water used by irrigation depends on climate, lot size, landscape, and your watering schedule. Grass requires much more water than shrubs or plants, and a modern irrigation controller can help.

See [outdoor actions](#).

Tracking Your Long-Term Use



No good forecast yet

We don't have enough data to accurately project this year's total consumption.

MOTION

On April 1, 2015, the Governor issued an Executive Order that called for statewide mandatory water use restrictions to address the State's severe drought. Under the Executive Order, each jurisdiction/water supplier must reduce water use by 25% compared to a 2013 baseline. The State estimates that the conservation rate will result in 1.3 million acre-feet of water savings over the course of the next 9 months.

Following the Executive Order, the State Water Resources Control Board (SWRCB) released a proposed regulatory framework for implementing the 25% conservation standard. The framework identifies the specific conservation targets that each jurisdiction/water supplier must meet to obtain the overall standard.

Under the proposed framework, the SWRCB identified a 16% conservation target for the Department of Water and Power (DWP). This amount factored in conservation gains obtained from the 2013 base line year.

The City has taken an active role in implementing water conservation measures for years. The City's implementation of the Emergency Water Conservation Plan Ordinance in 2010 has played a significant role in mitigating local drought impacts. The measure has limited outdoor watering to 3 days per week and has helped the City obtain conservation gains.

In order to better understand the latest proposed conservation target and its potential impact, the DWP should be requested to report to the City Council. The DWP should also report on how it plans to meet the conservation target and what residents can do to help this effort. In this manner, the City can more effectively meet our local and regional drought challenges.

I THEREFORE MOVE that the Department of Water and Power (DWP) be requested to report to the City Council in 30 days on the State Water Resources Control Board's (SWRCB) proposed regulatory framework for implementing the statewide water conservation standard; including the 16% conservation standard applied to the City; how the SWRCB arrived at it and how the DWP plans to meet the conservation standard if implemented.

I FURTHER MOVE that the DWP be requested to report on what residents can do to help meet an implemented conservation standard; including "indicators" or "markers" on bills which identify a resident's water use and the amount of additional water savings needed to help meet the conservation standard.

PRESENTED BY:



FELIPE FUENTES
Councilmember, 7th District

SECONDED BY:



APR 22 2015

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to the State Water Resources Control Board's (SWRCB) proposed Draft Emergency Conservation Regulations (Draft Regulations) for implementing the Statewide water conservation standard.

Recommendations for Council action, as initiated by Motion (Fuentes - Blumenfield):

1. NOTE and FILE the May 5, 2015 LADWP report relative to:
 - a. The SWRCB's proposed Draft Emergency Conservation Regulations for implementing the Statewide water conservation standard.
 - b. How the LADWP plans to meet the 16 percent conservation standard set for the City of Los Angeles in the Draft Regulations and what residents can do to help conserve water.
2. REQUEST the LADWP to report in 29 days in regard to the Watersmart Pilot Study and efforts made to encourage the occupants of single family dwellings to reduce their water usage.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On May 6, 2015, your Committee considered a Motion (Fuentes - Blumenfield) relative to the SWRCB's proposed Draft Regulations) for implementing the Statewide water conservation standard; and how the LADWP plans to meet the 16 percent conservation standard set for the City of Los Angeles in the Draft Regulations and what residents can do to help conserve water. Additionally, the LADWP also submitted a May 5, 2015 report in response to the above Motion. According to the LADWP, as a result of prolonged multi-year drought conditions, on April 1, 2015, the Governor issued an Executive Order calling for a 25 percent conservation Statewide through February 2016. The State estimates this conservation target will result in 1.3 million acre-feet of water saved.

The SWRCB issued its Draft Regulatory Framework on April 7, 2015, to implement the Governor's Executive Order. Since then, the SWRCB has been working with water suppliers, environmental groups, and the public throughout the State to refine the Draft Regulatory Framework and create Draft Regulations. The LADWP has been working with the SWRCB staff throughout the process to ensure the Draft Regulations provide for a fair and effective approach to meeting the Governor's conservation target.

The first Draft Regulations were issued on April 18, 2015. Based on public comments, the SWRCB revised their Draft Regulations, and on April 28, 2015, issued the final Draft Regulations. Final Draft Regulations were heard and adopted at the SWRCB meeting on May 5, 2015.

As instructed in the Governor's Executive Order, the SWRCB crafted their Regulations to assign different conservation standards to each water supplier based on their gallons per capita per day (GPCD). Water suppliers with higher residential GPCDs (R-GPCD) need to conserve more while those with lower R-GPCDs will have lower conservation standards. This approach attempts to give credit to water suppliers, like the LADWP who has a long-standing, extensive conservation program,

that have already achieved significant levels of conservation. The SWRCB has been collecting data from water suppliers since June 2014, and with this data determined each water supplier 's baseline R-GPCD based on the months of July 2014 through September 2014. These months were selected to reflect summer month conditions where temperature and precipitation play less of an impact between water suppliers across the State. The LADWP's R-GPCD for these three months was 90.9.

The LADWP's baseline R-GPCD of 90.9 places it into conservation Tier 4 which requires a 16 percent water use reduction. Water suppliers are expected to meet their percent water use reduction over the nine month period from June 2015 to February 2016 as compared to the same months in 2013. This will equate to approximately 1.3 million acre-feet of water saved throughout the State.

After further consideration, the Committee moved to note and file the May 5, 2015 LADWP report and further request the LADWP to report in 29 days in regard to the Watersmart Pilot Study and efforts made to encourage the occupants of single family dwellings to reduce their water usage. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	ABSENT
LABONGE:	YES
HUIZAR:	YES
KORETZ:	YES

ARL
5/6/15

-NOT OFFICIAL UNTIL COUNCIL ACTS-