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May 5, 2015

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

Attention: Councilmember Felipe Fuentes
Chair, Energy and Environment Committee

Honorable Members:

Subject: Council File No. 15-0501 – Governor Jerry Brown’s Executive Order
for 25 Percent Conservation

This report was prepared in response to the motion made by Councilmember Felipe Fuentes on April 22, 2015, requesting the Los Angeles Department of Water and Power (LADWP) to report on the State Water Resources Control Board’s (SWRCB) Draft Emergency Conservation Regulations (Draft Regulations) to meet the Governor’s Executive Order calling for 25 percent conservation for the State. The motion further instructs LADWP to report on how it plans to meet the 16 percent conservation standard set for the City of Los Angeles (City) in the Draft Regulations and what residents can do to help conserve.

Background

As a result of prolonged, multi-year drought conditions, on April 1, 2015, the Governor issued an Executive Order that calls for 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. LADWP has been working with

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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.

SWRCB Emergency Conservation Regulations

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 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. LADWP’s R-GPCD for these three months was 90.9.

Water suppliers are placed into conservation tiers with differing levels of percent water use reduction based on their baseline R-GPCD as shown in the following table:

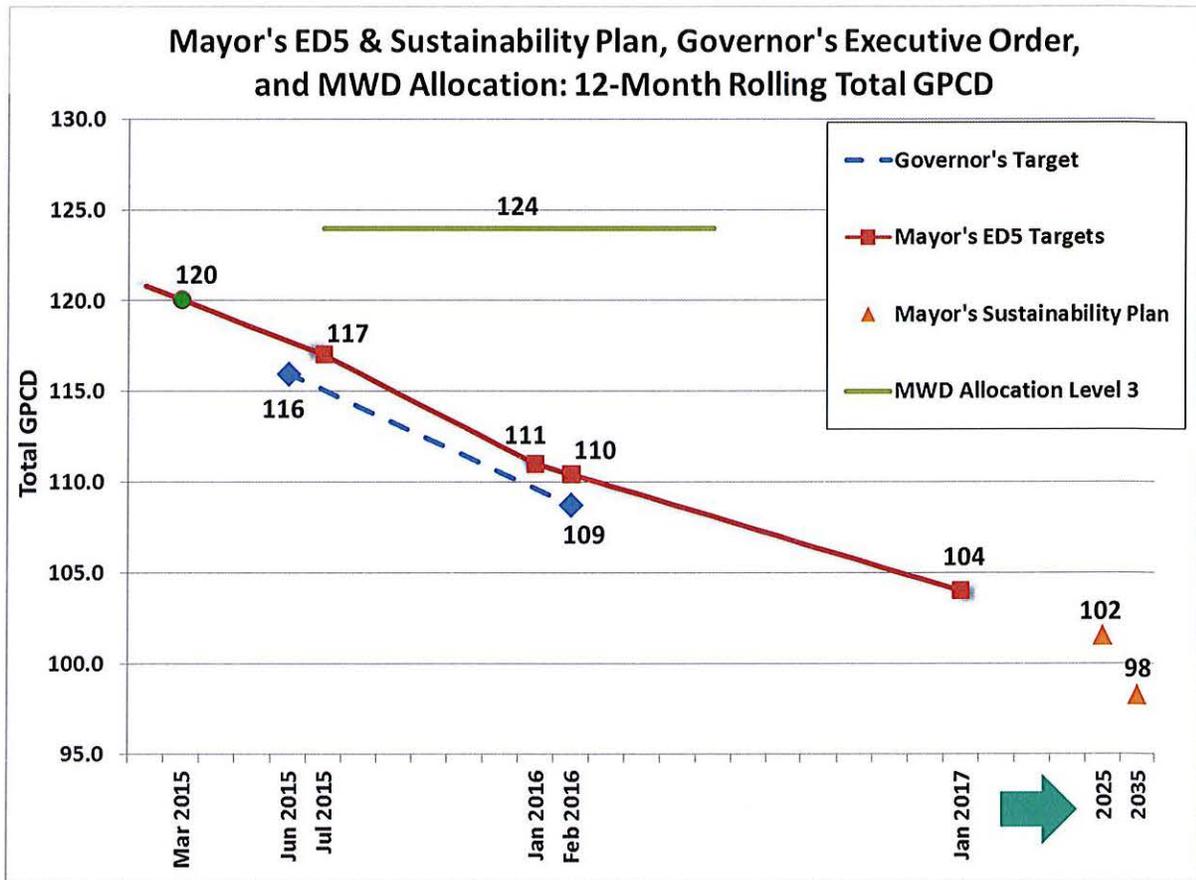
Tier	R-GPCD Range		No. of Suppliers in Range	Conservation Standard
	From	To		
1	Reserved		0	4%
2	0	64.9	23	8%
3	65	79.9	24	12%
4	80	94.9	44	16%
5	95	109.9	51	20%
6	110	129.9	48	24%
7	130	169.9	82	28%
8	170	214.9	54	32%
9	215	612.0	85	36%

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.

LADWP's Conservation Strategies To Meet 16 Percent Target

Based on the SWRCB's Regulations target of 16 percent water use reduction for LADWP, the water savings for the City equates to 68,000 acre-feet of water saved through February 2016. LADWP staff has translated this acre-feet savings to a rolling 12-month total GPCD to illustrate the Governor's target for LADWP.



The graph compares the Mayor's Executive Directive 5 (ED5) goals to the Governor's Executive Order target for LADWP. For March 2015, LADWP's 12-month rolling total GPCD is 120.3, and with current conservation trending, the City is on track to meet the Mayor's first milestone goal of 117 total GPCD by July 2015. The Governor's percent water use reduction target results in GPCD tracking slightly lower than the ED5. At the end of February 2016, the total GPCD to meet the Governor's target approximates to 109, which is one GPCD lower than the GPCD to stay on track with the Mayor's goals.

LADWP has implemented multiple conservation strategies to work towards meeting the ED5 goals. Acceleration of these strategies will allow LADWP to reach the Governor's targets. The following are key strategies that LADWP has implemented in response to the Mayor's directive.

Emergency Water Conservation Ordinance

The City currently has in place Phase II of its Emergency Water Conservation Ordinance which limits outdoor watering to three days per week and prohibits wasteful uses of water. LADWP has established a variety of options for residents to help report water waste:

- 1-800-DIAL-DWP hotline – which is set up with an expedited phone tree for water waste reporting.
- LADWP's dedicated reporting e-mail address – waterwaste@LADWP.com
- Partnering with the City's MyLA311 residents can report water waste through the MyLA311 phone app and Web site.

To enforce watering restrictions, LADWP has expanded its Water Conservation Response Unit (WCRU). The team currently consists of four full-time staff and two part-time staff.

WCRU patrols the City and responds to reports of water waste. Since January 2014, the WCRU has responded to over 10,000 water complaints; conducted over 2,000 inspections, and sent over 8,000 letters and citations. WCRU's first response is to reach out to the violators and educate them on the water waste violation and the importance of conserving water during this drought. Education has worked very well as only 27 water waste violations have escalated to monetary fines.

LADWP is recommending amendments to the City's Emergency Water Conservation Ordinance to add a new Phase which limits watering to two days per week. Adding this new Phase fills in a gap in the current Ordinance (which jumps from three days a week watering to one day a week watering) and will improve the Ordinance's flexibility in responding to potentially worsening drought conditions.

Water Conservation Outreach Campaign

In preparation for an additional year of drought, the budget for water conservation outreach was increased from \$2 million in Fiscal Year (FY) 13-14 to \$4 million in FY 14-15. Traditional outreach methods, such as program literature and media campaigns, have proven to be successful in educating customers about water conservation. To maximize our potential outreach, LADWP has leveraged our non-profit partnerships to provide additional community level outreach. This is further complemented by a concerted effort by LADWP to provide customers with additional educational resources.

Water Conservation Media Campaign –

LADWP has maintained an aggressive advertising strategy in a variety of media outlets. The media campaign has included:

- Advertising on over 200 bus tails, 300 bus benches, and 200 bus shelters.
- Advertisements in various newspapers such as the Los Angeles Times, Daily News, foreign language newspapers, and community newspapers.
- Over 3,000 television ads through 15 cable networks highlighting LADWP's water conservation programs.
- LADWP has posted over 300,000 online television and banner ads through Time Warner Cable.
- Advertising in movie theaters at 110 screens totaling over 58,000 viewings.

The media campaign is currently being expanded to include the "Save The Drop" campaign that was launched in partnership with Mayor Eric Garcetti in April 2015. The campaign features a caricature drop of water and advocates for City residents to embrace and advocate water conservation as a means of speaking for the Drop. Outreach materials will include creation of new public service announcements, radio spots, event handouts, and conservation signage on the side of sanitation trucks.

Community Outreach –

Community level outreach is another essential component of affecting behavior change. LADWP staff have sponsored and participated in a variety of community venues to better engage the public about water conservation. These have included speaker presentations and water conservation booths at:

- World Fest, Earth Day LA, and LA River Day.
- Neighborhood Councils and coalitions such as the LA Neighborhood Council Coalition and Valley Alliance of Neighborhood Councils.
- Farmers markets, community festivals, and businesses.

LADWP also awarded three grants to local non-profit organization to assist LADWP with community outreach and public education to inform and energize communities to reduce their water use and benefit from lower utility bills:

- Los Angeles Neighborhood Land Trust – Conducting an outreach program promoting water conservation in low-income communities.
- Los Angeles Community Garden Council – Holding water conservation workshops at community gardens and community centers throughout the City.
- Selva International – Providing hands-on Workshops at residents' homes where attendees learn how to remove turf, perform grading and mulching, and install rain barrels.

LADWP staff also targets water conservation messaging to specific industries, such as providing hotels and restaurants with door hangers and table tent cards that promote water conservation opportunities to customers.

California Friendly Landscaping Tools –

Since an average City residence uses between 40-60 percent of potable water on outdoor irrigation, the conversion of water intensive turf to California Friendly gardens is a critical message in water conservation. To aid customers in making this conversion, LADWP provides:

- Bi-monthly California Friendly Landscape Training classes held in Van Nuys and Downtown Los Angeles on Saturdays.
- Hands-on Workshops run in partnership with Selva International.
- LADWP's California Friendly Landscaping Web site, which allows customers to take virtual tours of gardens, explore climate appropriate plants, and access planting and irrigation templates that can be used for garden conversion.

LADWP's WaterSmart Pilot Study

In December 2014, LADWP started its WaterSmart pilot. The pilot is a behavior efficiency program which aims to educate customers on their water use and the need to conserve through focused outreach. A pilot group of 20,000 randomly selected single family customers are being sent bi-monthly home water use reports. The home water

use reports detail how much water the customer is using, how they compare to homes of similar size and climate, and the water reduction required to get to efficient levels. The reports also contain customized water saving tips and rebate recommendations for the customers.

In addition, the pilot group residents have access to WaterSmart's online Web Portal. The Web Portal contains detailed water use information for the customer. The customer can get 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 for them to learn how to save more water. The pilot study will run for one year, and LADWP will analyze the program's conservation potential. Based on performance results, LADWP will evaluate the potential for expanding the program across the single family sector.

Focused Outreach to Single Family Top Water Users

LADWP is currently developing focused outreach for the highest water users in the single family sector. LADWP will reach out to these high water users with an educational letter to make them aware of the Emergency Water Conservation Plan Ordinance's outdoor watering restrictions in effect and provide them with information on conservation rebates and incentives available to them. The letters are planned to be sent out in Summer 2015.

Water Conservation Rebates and Incentives Program

LADWP has an extensive Water Conservation Rebates and Incentives Program for commercial and residential customers, and as a result of LADWP's aggressive Water Conservation Outreach Campaign, has seen huge surges in participation and water savings achieved through these programs. Below is a summary of the variety of programs available to customers.

Commercial Programs –

LADWP has four major commercial water conservation and rebate programs, which are described below. These programs are entitled SoCal Watersmart Program, Commercial California Friendly Landscape Incentive Program, Technical Assistance Program, and the Commercial/Industrial/Multi-Family Free Equipment Program. Together these programs are designed to provide business customers with the means to achieve their maximum potential water conservation savings.

- SoCal Watersmart Program – LADWP partners with Metropolitan Water District of Southern California (MWD) to offer rebates for business customers who

purchase and install water conservation equipment such as high-efficiency toilets and urinals, weather-based irrigation controllers, cooling tower conductivity controllers and other measures.

- Commercial California Friendly Landscape Incentive Program – LADWP provides rebates for turf removal and replacement with California Friendly landscapes, mulch, and permeable pathways.
- Technical Assistance Program – This program provides savings-based incentives for commercial, industrial, institutional, and multi-family customers who install pre-approved custom water conservation projects.
- Commercial/Industrial/Multi-Family Free Equipment Program – LADWP provides free water conservation devices to help customers save money and water at their business. Items available at no cost include bathroom and kitchen faucet aerators, pre-rinse spray nozzles, and showerheads.

Direct Install Partnership Programs –

LADWP's Direct Install Partnership Programs are collaborations between LADWP's Water Conservation Program, LADWP's Energy Efficiency Program, and the Southern California Gas Company. Direct Install Partnership Programs include:

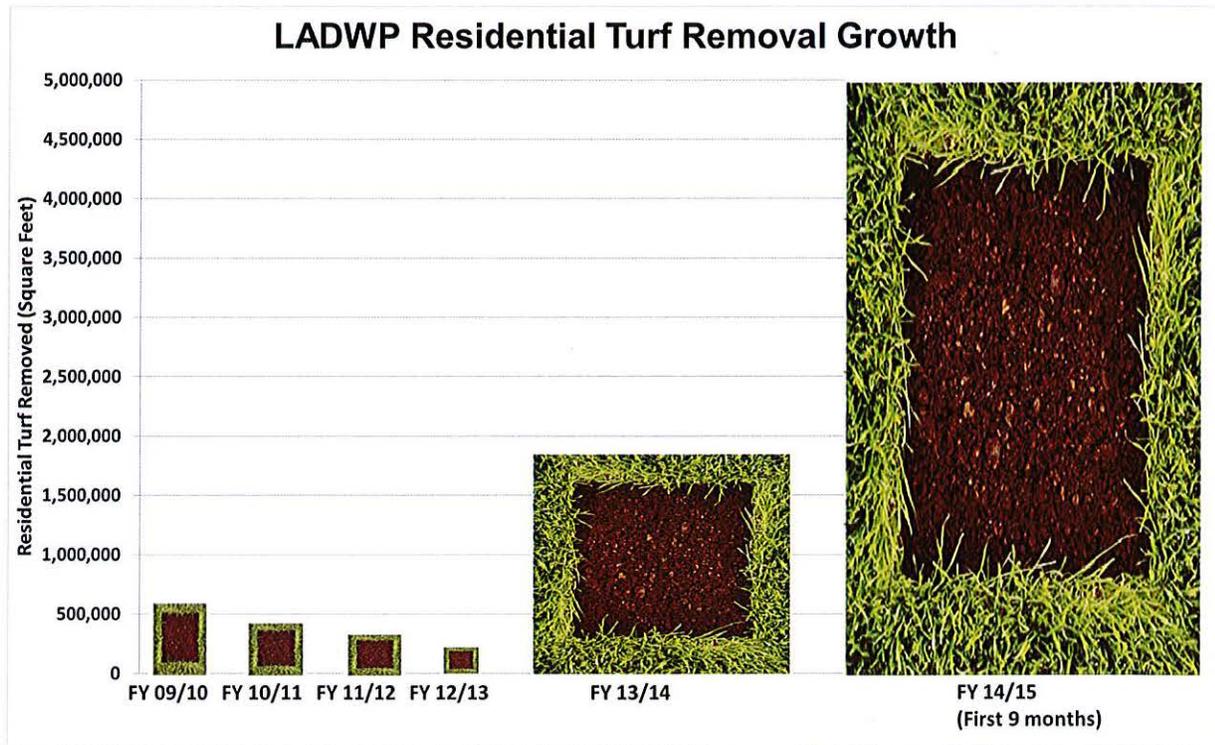
- Home Energy Improvement Program – Provides a whole-house retrofit program to residential customers to improve energy and water efficiency; the Water Conservation Program funds costs of water efficient devices.
- Los Angeles Unified School District Water Conservation Device Replacement Program – Provides upgrades in energy, water, and gas; the Water Conservation Program funds water efficient devices, such as, showerheads, aerators, toilets and urinal-valves.
- Small Business Direct Install Program – Targets small business customers to reduce energy, water, and gas use; the Water Conservation Program funds water efficient devices, such as, showerheads, aerators, pre-rinse spray nozzles.
- Multi-Family Direct Thermal Savings Program – Target Multi-Family units to reduce water and gas use; the Water Conservation Program funds costs of water efficient devices, such as showerheads and aerators.

Residential Programs –

LADWP has three major residential water conservation and rebate programs, which are described below. These programs are the SoCal Watersmart Program, the Residential California Friendly Landscape Incentive Program, and Residential Free Equipment Program. Together these three programs are designed to provide our residential customers with a means to achieve the maximum potential water savings at their homes.

- SoCal Watersmart Program – LADWP partners with MWD to offer numerous rebates for residential customers who purchase and install water conservation equipment. Rebates are offered for various measures such as high-efficiency clothes washers, high-efficiency toilets, weather-based irrigation controllers, rain barrels, and others.
- Residential California Friendly Landscape Incentive Program – LADWP provides rebates for turf removal and replacement with California Friendly landscapes, mulch and permeable pathways.
- Residential Free Equipment Program – LADWP provides free water conservation devices to help customers save money and water in their homes. Items available at no cost include bathroom and kitchen faucet aerators, and showerheads.

In November 2014, LADWP increased its rain barrel rebate from \$75 to \$100 per barrel and Residential California Friendly Landscape Incentive from \$3.00 to \$3.75 per square foot of turf removed. As a result of the rebate increase, we have seen a tremendous growth in the Residential California Friendly Landscape Incentive Program as shown in the graph below:



As a result of the turf removal rebate increase and aggressive outreach, we set a record in FY 2013-14 of 1.8 million square feet of residential turf removed. Only nine months into the current fiscal year, the program has already reached five million square feet of

turf grass removed. In total, Residential and Commercial California Friendly Landscape Incentive Programs have removed 15 million square feet of turf saving over 540 million gallons of water per year. Based on current participation levels, LADWP projects that it will remove a total of 25 million square feet of turf by the end of 2015, which is half of the Governor's goal of 50 million square feet of turf for the entire State.

Another residential rebate that has seen a huge surge in participation is the residential high efficiency toilet rebate. This year LADWP has already issued over 28,000 high efficiency toilet residential rebates. This marks a ten-fold increase compared to Fiscal Year 2013-14. Overall, only nine months into the current fiscal year, the Residential Rebates and Incentives Program has already achieved more than double the annual hardware savings compared to the last five years.

How Residents Can Help the City Meet The Governor's Target

With the drought persisting and aggressive goals the City needs to meet for the ED5 and the Governor's Executive Order, it is crucial that residents rise up to the challenge and help save water. Per the ED5, the Mayor has called on residents to voluntarily reduce their outdoor watering to two days per week. Outdoor watering makes up 40 to 60 percent of residential use, so this voluntarily action by residents would equate to significant water savings for the City. Residents can also help conserve water by:

- Taking shorter showers and installing a water-efficient shower head
- Washing only full loads of laundry and installing a high efficiency washer
- Installing a high efficiency toilet and fixing running toilet tanks
- Turning off the faucet when brushing or shaving
- Checking for irrigation leaks and making sure not to over water landscape

LADWP recommends pool owners follow these series of tips to save water:

- Use a pool cover to reduce water loss from evaporation (also protects pool in high wind areas) and helps keep pool warm reducing energy costs for heating
- Lower pool level to reduce water loss from excessive splashing
- Check pool for leaks
- Lower pool temperature if heated, to reduce evaporation and heating costs
- Keep pool filters clean and reduce the duration and frequency of backwashing
- Try to protect pool surface from high winds (plant a wind break) to reduce water loss and evaporation

LADWP continues outreach to residents on its extensive Water Conservation Rebates and Incentives Program. Residents are encouraged to replace appliances with water-

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efficient appliances, such as high efficiency toilets, high efficiency washers, efficient outdoor sprinkler heads, and irrigation controllers. In particular, LADWP has heavily marketed its Residential California Friendly Landscaping Incentive which has resulted in tremendous growth and continues to encourage residents to switch over from thirsty lawns to California Friendly gardens.

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

Sincerely,



Marcie L. Edwards
General Manager

JL:yrq

c: Councilmember Bob Blumenfield, Vice-Chair, Energy and Environment Committee
Councilmember Tom LaBonge, Member
Councilmember Jose Huizar, Member
Councilmember Paul Koretz, Member
Mr. Adam Lid, Legislative Assistant

Ms. Winifred J. Yancy