



TO: Board of Directors

FROM: Water Conservation and Demand Management Committee

SUBJECT: Water Conservation and Demand Management Committee Meeting Summary for June 27, 2022

DATE: August 9, 2022

This memorandum summarizes agenda items from the meeting of the Water Conservation and Demand Management Committee held on June 27, 2022.

Attendees:

Valley Water Board Members in attendance were: Committee Vice Chair Director Nai Hsueh (District 5) Director Barbara F. Keegan (District 2), and Committee Chair Director Linda J. LeZotte (District 4).

Staff members in attendance were: Joseph Aranda, Aaron Baker, Roseryn Bhusdabourg, Neeta Bijoor, Glenna Brambill, Justin Burks, Vanessa De La Piedra, Phil Dolan, Paola Giles, Vincent Gin, Samantha Greene, Jason Gurdak, Alexander Johanson, Cindy Kao, Matt Keller, Candice Kwok-Smith, Jess Lovering, Isabella Millet, Carolos Orellana, Michael Potter, Colin Resch, Metra Richert, Don Rocha, Ashley Shannon, Nicholas Simard, Kirsten Struve, Sherilyn Tran, Gregory Williams, and Jing Wu.

Guest Agencies in attendance were: Brian Boyer (Cinnabar Hills Golf Club), Katja Irvin (Sierra Club Loma Prieta Chapter), and Kurt Elvert, John Tang, and Bill Tuttle (San Jose Water Company-SJWC).

Public in attendance were: Hon. Jim Beall, Arthur M. Keller, Ph.D., Christophe LaBelle, and Julia Nussbaum.

ACTION ITEMS

4.1. MONTHLY UPDATE ON PROGRESS TOWARDS ACHIEVING VALLEY WATER’S WATER USE REDUCTION TARGET AND WATER CONSERVATION EFFORTS RELATED TO THE DROUGHT EMERGENCY

Ms. Neeta Bijoor reported on the following:

Summary from Meeting Agenda Memo:

On June 9, 2021, the Santa Clara Valley Water District (Valley Water) Board of Directors through Resolution 21-68 declared a water shortage emergency condition pursuant to California Water Code §350, called for water use reduction of 15% compared to 2019, and urged the County of Santa Clara (County) to proclaim a local emergency. Valley Water Resolution 22-20 amended Valley Water Resolution 21-68 on April 12, 2022, to call for no more than 2 days of irrigation in a week for ornamental lawns and prohibit excessive runoff, midday irrigation, and irrigation after rainfall. On May 24, 2022, the Board approved Ordinance 22-02 to enforce these restrictions.

In 2022, the County and California entered the third year of drought, and experienced the driest January, February and March on record. In 2021 and 2022, Valley Water’s Federal and State imported water allocations were drastically reduced to historic lows. On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22 to call on local water suppliers to move to Stage 2 of their water shortage contingency plans, at a minimum. The U.S. Drought Monitor Report from June 9, 2022,

indicates that the County is in severe drought. The northern Sierra Nevada snowpack, a primary source of imported water, is 16% of normal as of June 13, 2022. Staff will provide additional updates regarding latest drought conditions.

The California Department of Water Resources (DWR) has announced a 2022 State Water Project allocation of 5 percent, which equates to an allocation of 5 TAF for Valley Water. DWR has approved Valley Water's request for additional water to meet our critical human health and safety needs. The U.S. Bureau of Reclamation (Reclamation) Central Valley Project (CVP) water supply allocations for south-of-Delta CVP contractors, including Valley Water, are currently set to a municipal and industrial allocation of public health and safety water only and an agricultural allocation of zero percent. Reclamation has approved Valley Water's request for public health and safety water.

Groundwater levels in May have continued the seasonal decline, which typically occurs in spring and summer due to higher temperatures, increased water demand, and associated increased pumping. Greater than average declines in groundwater levels are expected this year because of the drought. As shown below, water levels in the North and South County index wells have generally declined since 2018 due to dry conditions, with a similar pattern as the 2012–2016 drought. Achieving the Board's water use reduction target is essential to minimize the risk of resumed subsidence in North County and wells going dry, particularly in South County. That risk increases as the drought persists.

Consequently, conservation is an important strategy to help reach the 15% call for water use reduction and mitigate negative impacts.

Water Conservation Outreach

In May 2022, media interest focused on the Board of Directors' unanimous approval of the watering restrictions enforcement ordinance. The May 24 board meeting garnered national and regional television, online, print and radio coverage. Staff published statements on valleywater.org from Chair Pro Tem Varela on the proposed water use reduction enforcement ordinance and on its subsequent adoption. Blog posts on valleywaternews.org accompanied these statements.

The "Say Yes" water conservation campaign was launched, encouraging residents to reduce outdoor watering and engage in simple actions to save water. In addition to running in newspapers, the campaign is on social, digital, streaming and radio platforms. Public space ads on buses will be deployed in June, along with a broadcast video ad. Yard signs will be available through the shopping cart in June and Valley Water fleet vehicles will begin showcasing bumper stickers encouraging water conservation. Vehicle magnets with the same messaging are also being fabricated.

The spring campaigns promoting our landscape rebate program and online shopping cart are running. Our animations have been seen more than half-a-million times. Staff continues to run social media videos and posts promoting outdoor surveys, tips to save water outdoors, watering trees, using shower buckets and designing yards with water-efficient plants. To highlight the importance of conserving water and to show where the county is at in this effort, social media posts were shared showing water use rose 30% in March. These posts encouraged residents to take advantage of tools and rebates at watersavings.org. Statements and blogs on the Board's new action on water waste reporting were also shared on all social media platforms.

Water Conservation Programs

Valley Water received a significant increase in applications for our landscape rebates, requests for water-saving devices, and reports of water waste since 2021. Valley Water's Water Conservation Webinar Series launched in April with about 30 in attendance for a Sheet Mulching education program. In May, about 30 attendees joined a webinar on programming irrigation controllers to help residents follow the two days a week watering limit. The series runs on Zoom and Valley Water's Facebook Live, and simultaneous translation is available to expand reach to non-English speakers.

Valley Water launched a new office hours program for members of the public to ask staff about applying for water conservation rebates once per week, alternating between lunch hours and early evening. Valley Water announced the pending launch of a new Lawn to Mulch component of the Landscape Rebate Program to help larger commercial properties convert non-functional turf to mulch and to install high-efficiency irrigation for trees on their property. In addition, Valley Water doubled its Landscape Rebate Program's maximum rebate for commercial, industrial, institutional, and multi-family properties from \$50,000 to \$100,000.

The Water Conservation and Demand Management Committee discussed the following: Water rates, survey responses and breakdown, tailoring messaging, development and growth concerns-drought's impact and challenges, Water Supply Master Plan (WSMP) short term vs. long term goals and planning, restaurants serving water, and continued water conservation efforts.

Public comments:

Katja Irvin question on the water waste complaints and the link for complaint process.

Dr. Arthur Keller question on water retailers' usage and the modification of the 'green' regulations.

Mr. Justin Burks, Mr. Matt Keller, Ms. Kirsten Struve, Mr. Aaron Baker, and Mr. John Tang (San Jose Water) were available to answer questions.

The Water Conservation and Demand Management Committee took no action.

4.2. WATER FIXTURE REPLACEMENT PROGRAM ONE YEAR UPDATE

Mr. Alexander Johanson reported on the following:

Summary from Meeting Agenda Memo:

The goal of the Fixture Replacement Program (Program) is to remove old and outdated, high-water-use fixtures from higher density Multi-Family, Commercial, Industrial, and Institutional sites throughout Santa Clara County. This program provides no-cost direct removal and installation services to property managers and businesses that wish to upgrade fixtures such as toilets, showerheads, urinals, and aerators to WaterSense-Certified, ultra-high-efficiency replacements. "WaterSense-Certified" means these fixtures have been independently and thoroughly peer-reviewed to provide significant water savings without losing water pressure or customer satisfaction. The Program makes upgrading fixtures easy for property owners who may not be able to afford investing in more efficient plumbing at their property. Indoor water conservation is one of the more challenging avenues of water use reduction, due to the variability in usage between property types and the differences between human use behaviors, and this program will significantly reduce indoor water use throughout the county based on the progress during the first year.

The Program launched in May 2021, after a competitive Request for Proposal (RFP) process resulting in a contract with Bottom Line Utilities, Inc. (BLUS). BLUS has an outstanding track record with over 150,000 retrofits over the last 20 years. The program involves the Property Manager signing a participation agreement which is reviewed and approved by Santa Clara Valley Water District staff. The first participation agreement was signed on July 1st, 2021 by a multi-family apartment complex, where BLUS surveyed multiple units to determine fixture flow rates, and calculated water savings based on the estimated number of replacements to be made. To date, work has been completed at 11 multi-family apartment complexes and 1 institutional site, with work authorized at 7 more multi-family sites this fiscal year. Total water savings from the 12 completed projects are almost 40 acre feet (AF) per year (12.8 million gallons). By using the data from the participation agreements, the additional savings calculated from the 7 remaining sites is estimated to be 63 AF or 20 million gallons.

The initial budget for the Program was \$400,000, which was increased to \$1,000,000 due to the drought. This allowed the Program to approve larger sites that would significantly increase water savings. At this time, BLUS is in charge of scheduling sites, because they provided a list of properties that they had

previously worked with and that have toilets that flush at 3.5 gallons per minute. By giving preference to those high-density properties with inefficient toilets, the vendor and staff prioritized maximizing water savings in the first year of the Program. BLUS still has more sites on their list that are scheduled to begin work in FY 23, and once that list is nearing completion, Valley Water staff will begin promoting the Program to other sites throughout the county, including areas of low participation in water conservation programs as well as low-income areas.

The only challenge that occurred in the first year was related to inventory supply and inflation. With the downturn in shipping effectiveness and the rise of fixture costs, some sites that had previously signed participation agreements decided to postpone work until the products they wanted were restocked, and some larger sites were pushed to FY 23 due to budgetary concerns. BLUS managed that by shifting focus to other sites that were ready to begin installation and moved the others down the waiting list.

By the end of FY 22, the Program will have replaced 2,003 toilets, 922 showerheads, 614 kitchen aerators, and 1,064 bathroom aerators. These upgrades will help Valley Water meet the conservation targets as stipulated in Resolution 21-68 to reduce water use 15% compared to 2019 and to achieve the Board's long-term conservation target of 99,000 acre-feet of savings per year by 2030. The goals for the following year are to continue working through the list of sites identified by BLUS and approved by Valley Water, prioritize sites that have high-water-use fixtures, and target properties identified in the Water Conservation Strategic Plan as low-income or areas of low participation.

The Water Conservation and Demand Management Committee discussed the following: toilet types, vendor list, cost-sharing opportunities, county-wide partnerships, cooperative agreements, and other programs.

The Water Conservation and Demand Management Committee took no action.

4.3. COMMERCIAL, INDUSTRIAL, INSTITUTIONAL, AND MULTI-FAMILY RESIDENTIAL (CII/MF) WATER CONSERVATION PROGRAMS

Mr. Justin Burks reported on the following:

Summary from Meeting Agenda Memo:

Conditions in the State of California continue to be very dry, with Santa Clara County being classified by the U.S. Drought Monitor as being in severe drought. Achieving the Board's target of 15% savings as directed by Santa Clara Valley Water District (Valley Water) Resolution 21-68 is becoming even more paramount. Short-term savings due to behavior change during the drought can also yield long-term savings. In addition, drought encourages high participation in Valley Water's water conservation programs. The CII/MF customer class is a harder to reach sector because there are multiple decision makers, unique internal approval processes for these customers, and cost/benefit factors.

Valley Water's Water Conservation Strategic Plan (Strategic Plan) guides staff on how best to achieve the long-term targets outlined in the 2040 Water Supply Master Plan (99,000 acre-feet per year (AFY) and 109,000 AFY by 2030 and 2040, respectively). The Strategic Plan determined that Valley Water will meet its long-term targets if participation is increased. The plan also analyzed and identified methods for successfully increasing participation in areas with high participation and identified variables that could similarly increase participation in areas with historically low participation, as well as identifying approaches to increase participation in the CII/MF customer class. Valley Water continues to promote our many conservation programs, saving 76,584 acre-feet of water in the last fiscal year. CII/MF programs represent an important part of our annual water savings, with 30,191 acre-feet per year saved in this customer class as of June 30, 2021.

The purpose of this memorandum is to provide an overview of the Program's rebates, services, and resources offered to Commercial, Industrial, Institutional, and Multi-Family Residential customers for conserving water indoors and outdoors.

Water Efficient Technology Program

Valley Water offers up to \$100,000 for innovative water conservation projects through the Water Efficiency Technology (WET) Rebate. The last completed project through WET was in fiscal year 2019. The rebate is based on the lesser of either \$4 per Centum Cubic Feet (CCF) saved, or up to 100% of equipment costs excluding labor and tax. In an effort to increase participation, the WET Program's maximum rebate was increased to \$100,000 from \$50,000 in 2021. Staff is exploring additional strategies to promote the increased rebate cap and encourage participation in this cost-effective program for the CII customer class. Planned projects include developing a public database of rebated equipment, improving the application process with a new online portal, and investing in targeted marketing for businesses in the County.

Submeter Rebate Program

Valley Water continues to offer a submeter equipment rebate of \$150 per unit (more in retailer cost-sharing areas) for multi-family residential properties through the Submeter Rebate Program. Submeters save 15-30% of annual water demand when installed at multi-family complexes. In April, a project was successfully completed which included the installation of submeters at a four-plex Accessory Dwelling Unit (ADU) property. This recently completed project demonstrates a new approach for this program, which was originally designed for higher-density properties like HOAs and mobile home parks. ADUs present a new opportunity for water savings.

Valley Water has also issued Notices to Proceed for two additional projects, totaling 335 meters. Further, one application is being processed for a multi-family residential property for 285 meters.

Large Landscape Program

The Large Landscape Program offers landscape surveys and site-specific irrigation budgets to help nearly 4,000 properties track their water use against how much they should be using (3,809 total sites with 3,245 CII sites). During the last drought, the data was used to help properties stay in compliance of water reduction calls.

Through Valley Water's Large Landscape Program, Advanced Metering Infrastructure (AMI) data for irrigation account customers can link to a customer facing online portal. The portal can communicate hourly water use information through specialized charts. The water use data collected can indicate the time of day and days-per-week irrigation frequency. When spikes in water use are recorded, AMI is capable of sending leak notifications to customers.

Landscape Rebate Program Expansion

As described at the May 19, 2022, Water Conservation and Demand Management Committee, Valley Water plans to increase the Commercial, Industrial, Institutional, and Multi-Family Residential lifetime site cap for the Landscape Rebate Program from \$50,000 to \$100,000. This increase became effective June 1, 2022. It will coincide with the launch of a new category within the program: Large Landscape Lawn to Mulch rebate. The new rebate category will be eligible to CII/MF sites who remove a minimum of 15,000 square feet of lawn and replace with mulch. Existing trees within the converted lawn areas must be irrigated with low flow drip irrigation. The new rebate will also include provisions for golf courses to convert irrigation turf to native grass seed in out-of-play areas. These Landscape Rebate Program updates are in direct response to the State's ornamental lawn irrigation ban for commercial properties and the severe escalation of the drought conditions.

Commercial Outreach study with WaterNow Alliance

In an effort to increase participation in the Landscape Rebate Program from the CII/MF customer class, in 2021 Valley Water contracted with WaterNow Alliance to research existing successful programs across the U.S. and develop recommendations based on this analysis to improve Valley Water's outreach efforts. The WaterNow Alliance study included conducting research, informational interviews, surveys, and data analysis to provide recommended strategies for connecting with decision makers from this customer class that can increase awareness about the participation rates for Valley Water's Landscape Rebate Program and other CII/MF rebate programs such as the WET Rebate. Some of the key findings of the study include motivators and barriers for CII customers in undertaking water efficiency projects and completing the necessary steps to receive a rebate. There were recommendations made regarding the online application portal, and methods to effectively connect and work with CII property managers that will be implemented in future outreach campaigns.

Commercial Outreach and Engagement

Valley Water and the County of Santa Clara Office of Sustainability (County) are exploring partnership opportunities to target the lower income business sector to promote Valley Water's Water Conservation Program and the County's Green Business Program, respectively

Fixture Replacement Program

The Fixture Replacement Program offers free direct installation services to Commercial, Industrial, Institutional, and Multi-Family Residential properties throughout Santa Clara County. Through replacing inefficient showerheads, urinals, faucet aerators, and more water-using fixtures free of charge, this program will produce additional water savings. The program launched in May 2021 and has completed work at 11 multi-family properties and one institutional site, with seven more multi-family properties scheduled to complete work before the end of the fiscal year.

Next Steps

Staff are initiating several program enhancements targeted toward the CII/MF customer class. Eligibility for the existing Water Wise Outdoor Survey Program, which is a free irrigation survey for landscapes half an acre or less is now extended to small CII and MF properties. This will make up for a gap in our program offerings for business with small landscaped areas who are interested in becoming more efficient and addressing water loss from leaks. Also, projects aimed at increasing exposure to the WET Rebate Program include developing a public facing database of rebated equipment and improving the application process with a new online portal.

Conservation staff will collaborate with the Communications group to use the insights gained through the Commercial Outreach Study and the Commercial Outreach and Engagement Pilot to enhance communications and outreach to large sites and to inform program development.

The Water Conservation and Demand Management Committee discussed the following: outreach to condominiums, management companies, high density/multi-dwelling//homeowners' associations, realtors,

Public comment:

Dr. Arthur Keller suggested having a program "cash for grass."

The Water Conservation and Demand Management Committee took no action.

4.4 STANDING ITEMS REPORT

Committee Chair Director Linda J. LeZotte reviewed the materials as outlined in the agenda item.

Summary from Meeting Agenda Memo:

Standing items will allow regular reports from staff on subjects that may be of interest to the committee members.

There were no verbal updates for:

1. Sustainable Groundwater Management Act (SGMA)
2. Flood Mar
3. Agricultural Water Use Baseline Study

The Water Conservation and Demand Management Committee took no action.

4.5 REVIEW WATER CONSERVATION AND DEMAND MANAGEMENT COMMITTEE WORK PLAN, THE OUTCOMES OF BOARD ACTION OF COMMITTEE REQUESTS; AND THE COMMITTEE'S NEXT MEETING AGENDA

Ms. Glenna Brambill and Ms. Kirsten Struve reviewed the materials as outlined in the agenda item.

Summary from Meeting Agenda Memo:

The attached Work Plan outlines the approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendaized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or commissions by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

The Water Conservation and Demand Management Committee discussed the following: requested MAP process – figure out a way to bring items to the committee, WSMP is an important document (may be too technical-so possibly having a workshop type board meeting), and would like to also engage the community.

The July Agenda Items:

- Drought/outreach update/water waste statistics further discussion
- Drought Plan vulnerability assessment
- Draft Ordinance for the Proposed Drinking Water Well Control Zones for the Purified Water Project

Future items:

- Drought vs. long term planning
- Ag Baseline study (August/September)
- Ms. Samantha Greene gave a brief update, the study has completed their collection data and will be able to have a report late summer with a completed study by year's end
- Information on hot water recirculation pumps and what the options are (easy and cheap)/how do we rebate?/inclusion in MWENDO – look at evaluating it
- AMI update (prompted by SJWC approval)

The Water Conservation and Demand Management Committee took the following action:
The Committee unanimously approved requesting that the Board consider approving a Board Workshop on the Water Supply Master Plan (WSMP) MAP process to engage all that would benefit (Board, Committee and Community) when staff is ready.

The next regularly scheduled meetings are July 25, 2022, and August 29, 2022.

If you have any questions or concerns, you may contact me at, gbrambill@valleywater.org or 1.408.630.2408.

Thank you!

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