

**TO:** James L. App, City Manager

**FROM:** Doug Monn, Public Works Director

**SUBJECT:** Fiscal year 2010/2011 Supplemental Budget Allocation for Water Conservation Incentive Programs

**DATE:** July 20, 2010

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**NEEDS:** For City Council to consider a fiscal year 2010/2011 supplemental allocation for the City's water conservation incentive program.

**FACTS:**

1. Mandatory Level 2 watering restrictions and outreach programs achieved a 20 percent reduction in peak demand in 2009. However, to maintain this level of conservation in future years requires water users to make permanent changes.
2. In February, 2010, Council approved an annual water conservation program budget of \$121,000 that included incentive programs: (1) High efficiency toilet rebates of up to \$125 per toilet ; and (2) \$0.50 per square foot of turf replaced with low-water-use landscaping on drip irrigation (to a maximum \$500).
3. Both programs were implemented in late February, 2010.
4. Participation in the rebate and the turf replacement programs exceeded expectations. The budgeted funds were exhausted in June after only four months.
5. To keep pace with customer interest in conservation incentives supplemental funding is needed for fiscal year 2010/2011.

**ANALYSIS &**

**CONCLUSION:** Retrofit of an older high flow toilet with a high efficient toilet (1.28 gallons per flush) can save an estimated 12,800 gallons per year. For each 1,000 square feet of turf converted to low-water-use Mediterranean landscaping, water use can be reduced by over 20,000 gallons per year.

The high level of participation in the rebate programs in 2010 indicates the success of the incentives in promoting changes by customers to reduce water use. Based on the rate of participation in the program to date, it is recommend that total fiscal-year funding for the conservation program be increased by \$32,000 to \$153,000. Funds would be re-allocated from the existing water fund budget to the Water Conservation Program for the purpose of providing customer rebates.

**POLICY**

**REFERENCE:** Council Resolution No. 10-019

**FISCAL**

**IMPACT:** Program funds are from existing Water Fund budgeted funds. The supplemental appropriations will not affect water user rates.

**OPTIONS:** a. Adopt Resolution Authorizing an increase in the FY 2011 Water Conservation Program budget from existing Water Fund budgeted funds.

b. Amend, modify, or reject the above option.

Prepared by: Christopher Alakel, Water Manager  
Attachments: Resolution

RESOLUTION NO. 10-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES AUTHORIZING  
SUPPLEMENTAL BUDGET AUTHORIZATION FOR THE FY 2011 WATER CONSERVATION  
INCENTIVE PROGRAM

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WHEREAS, City-wide summer water demands exceed available water supply by 20 percent

WHEREAS, SB 7 (No. 7) recently signed into law requires cities to reduce annual per capita water demand by 10 percent by 2015 and 20 percent by the year 2020 (20 x 2020 requirement). The City's water resources plan includes a long-term reduction in per capita water use of 20 percent as part of the City's water resources supply portfolio.

WHEREAS, Mandatory Level 2 watering restrictions and outreach programs achieved a 20 percent reduction in peak demand in 2009. In order to maintain this level of conservation in future years additional funding is needed to assist water customers in making permanent changes in water conserving technology and landscaping.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby authorize \$32,000 from Water Fund Reserves to budget account 600-310-5212-383 to increase the Water-Conservation Program FY 2011 budget to \$153,000.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 20th day of July 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk