

98-425



San Diego County Water Authority

A Public Agency

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November 24, 1998

Mr. Lester Snow
Executive Director
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Water Use Efficiency Incentives Policy Principles

Dear Lester:

Your staff has asked water agencies to provide CALFED with suggestions on how incentives can be effectively used to encourage water conservation and recycling within the Bay-Delta program. Attached are principles the Water Authority's Board of Directors adopted on November 12, 1998. Please contact Bill Jacoby at (619) 682-4156 should you have any questions about the principles.

Sincerely,

Maureen Stapleton
General Manager

Attachment

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CALFED Water Use Efficiency Incentives Policy Principles

Background

Urban water agencies in California have implemented a number of cost effective water conservation and recycling projects. In the CALFED process it is anticipated yield will be realized beyond the level generated from current projects.

CALFED staff has requested assistance in identifying ways incentives can be used to assure that the additional water conservation and recycling projects needed to generate the aggregate yield goal set by CALFED is reached. The following policy principles have been established as a guide in this process.

Policy Principles

1. CALFED should anticipate that the retail water agencies would provide only that increment of funding of water recycling and conservation projects that meets cost effectiveness standards from a local agency perspective.
2. CALFED should provide long-term grant funding to bridge the gap between the amount of project funding justified at the retail agency level and that required to achieve the levels of water savings and recycling identified in CALFED projections.
3. CALFED should provide other direct economic incentives to encourage local investment in water conservation and recycling (e.g. pollutant trading credits for wastewater dischargers and preferential access to CALFED benefits for water suppliers).
4. Even with incentives, CALFED must acknowledge that agency specific mandatory yield targets are unacceptable, and that projects must be structured within local political, economic and public perception constraints.
5. CALFED should ensure coordinated state and federal regulation of water recycling projects. CALFED should support ongoing research and education programs to ensure a high degree of public confidence in water use efficiency programs.