



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** December 14, 2015
FROM: Matt Collings, Assistant General Manager
SUBJECT: Rebate Applications for Turf Removal
DIVISION: District-wide

SUMMARY:

Issue: The District has received an exemption request for a rebate application that exceeded the maximum allowable acreage for turf removal as defined in the approved Board policy.

Recommendation: It is recommended that the Board of Directors consider the rebate application for the identified project without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

Fiscal Impact: Sufficient funds are available within the Water Use Efficiency Fund to fund the identified rebate application. Additional information is provided within the staff report.

BACKGROUND:

More than half of the water used at the District is for outdoor landscapes. Water efficient landscapes can decrease water use up to 70 percent through a combination of proper plant selection and irrigation technology. However, the cost of installing climate-applicable plants is sometimes an obstacle to turning traditional grass landscapes into more water-efficient environments. The District's turf replacement program is designed to help residents, businesses, and public agencies make that conversion.

The proposed Kite Hill project was submitted on October 19, 2015, and based on that time frame, is eligible to receive \$2 per square foot from the District. The program provides limitations on the amount of turf removal and/or synthetic turf installation that qualifies for the rebate. The relevant cap for the applicant is 10,000 square feet for District funding.

All rebates from the District are funded through the Water Efficiency Fund using the incremental revenue generated from the higher consumption tiers (Tiers 3, 4 and 5) in the water budget-based rate structure.

DISCUSSION:

In recent months, the District has expanded its outreach efforts to promote water use efficiency in response to the drought emergency. Customers have responded with requests for nearly 5 million square feet of turf removal and more than 600,000 square feet of synthetic turf installation. The District has received one additional request from a customer to remove 11,350 square feet of turf for one account. Additionally, the Mission Viejo Country Club is requesting to change the square footage of turf to be removed from 1,114,530 square feet to 467,697 square feet due to the loss of Metropolitan Water District funding above \$25,000 for up to 25,000 square feet. They are requesting the same amount of funding initially requested, which is already accounted for in commitments in the Water Use Efficiency Fund. The project proposal results in \$1.43 per square foot. Table 1 identifies the customers and the rebate requests for each of the programs by account.

Table 1 – Rebate Requests

Customer	Division	Proposed Turf Removal (Sq. Feet)	Proposed Synthetic Turf Installation (Sq. Feet)	Proposed Rebate Value (\$)
Kite Hill Community Association – Acct #96-51653	6	11,350	0	\$22,700
Mission Viejo Country Club	1	467,697	0	\$668,718
Total		479,047	0	\$691,418

The values provided above are based on estimates from each of the project proponents and may vary as each project becomes more defined. The proposed rebate incentives for the identified project would be funded from the Water Efficiency Fund.

Staff is recommending the Board remove the maximum allowable acreage to allow the General Manager or her designee to consider each application based on the overall project objectives, various funding sources, and current available budget for rebate funding. Removal of the maximum acreage by the Board of Directors does not constitute an approval of the rebate application, but allows each application to be considered for the full amount of turf removal or synthetic turf installation.



COMMUNICATION FACILITIES LICENSE PROGRAM UPDATE

Engineering and Operations Meeting

December 14, 2015

AGENDA

- Update Drivers
- Policy Changes
 - Program
 - License
 - Application Forms and Procedures
 - Financial

UPDATE DRIVERS

- Improvements to existing procedures
- Update to current business practices
- Increased cost recovery
- Give current licensees opportunity for input prior to upcoming renewal negotiations

PROGRAM CHANGES

- Additional clarifying language
 - Purpose of program
 - Requirements for new site builds and site modifications
 - Security and access
- New sections
 - Maintenance
 - Project number and equipment table
 - Lighting
 - Decommission or termination process

LICENSE CHANGES

- General language updates and improvements
- Moved some operational items to the Program
- Paramount Rights defined
- Removal and restoration bond added
- Environmental protections strengthened
- Dispute resolution process updated
- Improved Licensee representations and warranties, including acknowledgement that bound by changes to the Program upon notice

APPLICATION CHANGES

- Combined all applicable documents in Appendix C
 - Instructions
 - Application form
 - Letter of Authorization and Consent
- Fees

FINANCIAL CHANGES

- Increased to 4% annual escalator
- Added an unauthorized facility fee
- Added holdover fee
- Right to collect interest
- Application fees update

UPDATED FEES

Fee Type	Current Amount	Proposed Amount
Renewal or New License	\$3,500 flat	\$3,500 plus expenses above
License Amendment	\$1,250 flat	\$1,250 plus expenses above
Minor Letter of Consent	\$500 flat	\$1,500 flat
Major Letter of Consent	\$750 flat	\$1,750 flat
Letter of Authorization	\$200 flat	\$500 flat
Specialty Field Inspection	\$75 per hour	\$75 per hour
Site Decommission	none	\$2,000 plus expenses above
License compliance	none	\$600 plus expenses above

Questions?