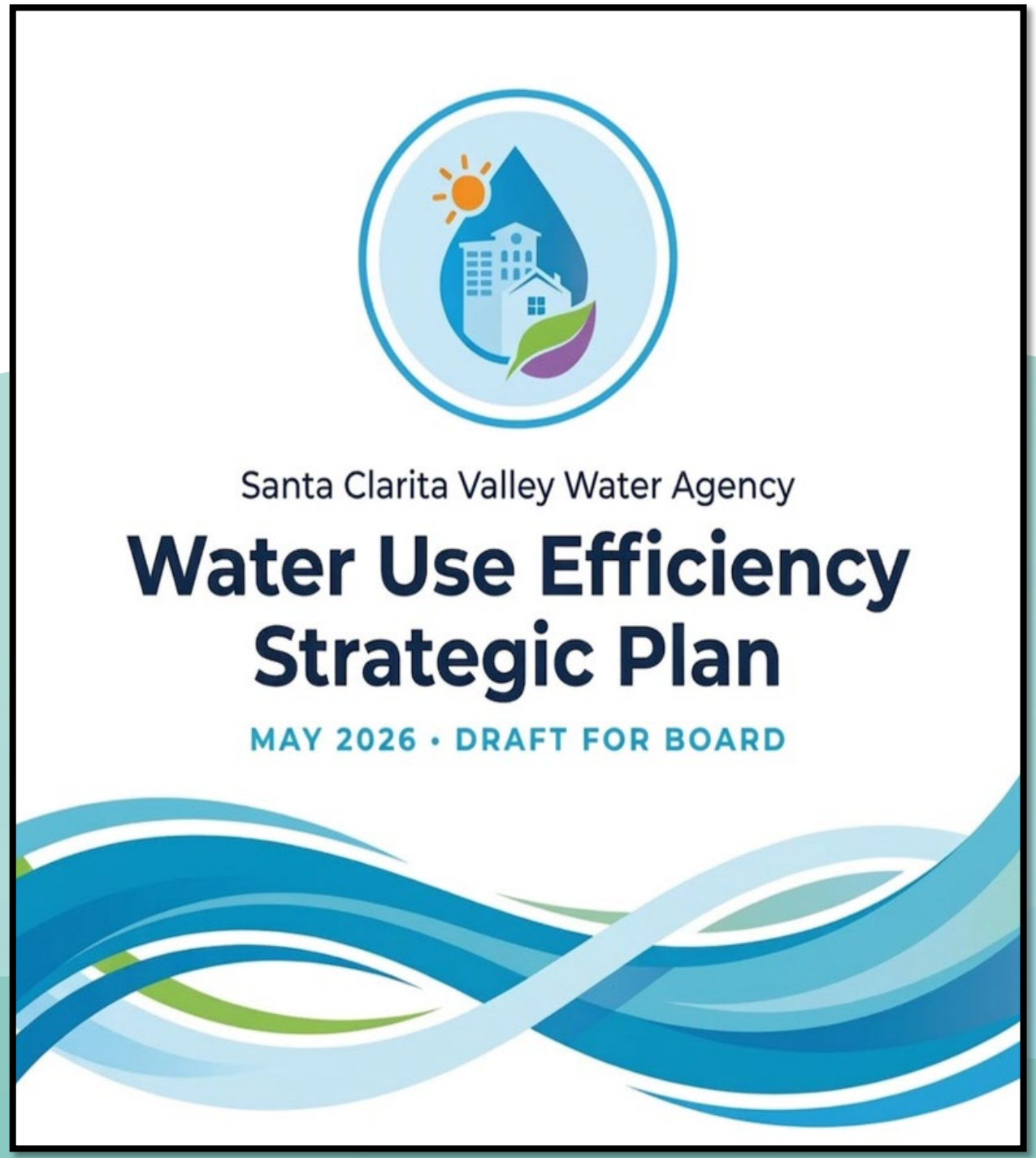
# 2026 WATER USE EFFICIENCY STRATEGIC PLAN – RECOMMENDATIONS

MATTHEW S. DICKENS, MPA, LVC FELLOW
APRIL 8, 2026 - WATER RESOURCES AND WATERSHED COMMITTEE

SCV WATER

# PRESENTATION OBJECTIVE

Present findings and recommendations from the Water Use Efficiency Strategic Plan initiative. Provide staff recommendation that the Water Resources and Watershed Committee recommend the SCV Water Board of Directors Adopt the 2026 Water Use Efficiency Strategic Plan.




# OVERVIEW

- Purpose
- Findings
- Recommendations

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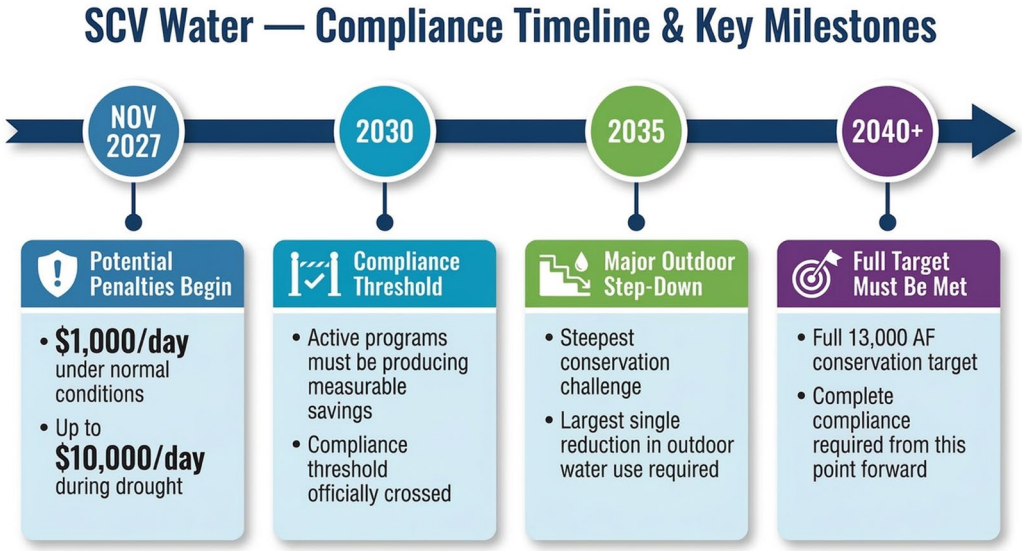
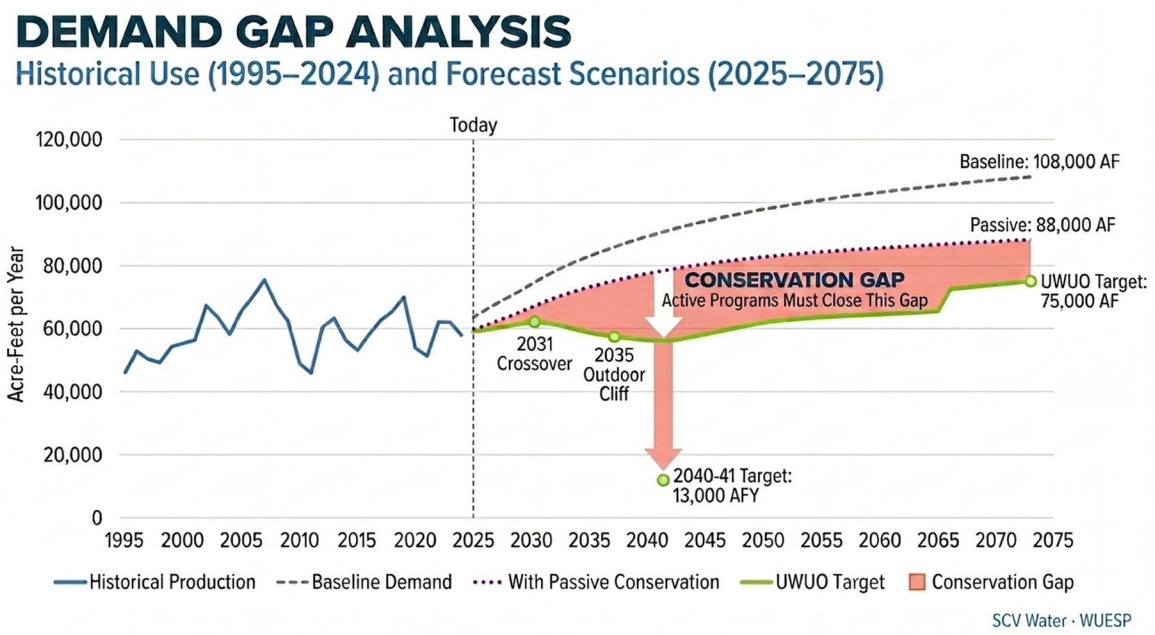
# WHY THIS PLAN IS NEEDED

- Aligns with SCV Water's Strategic  Plan
- California's "Making Conservation a California Way of Life"
- Requirement to meet the annual Urban Water Use Objectives
- Compliance Begins in 2027 and tightening through 2040
- Consequences of non-compliance (fines, enforcement, loss of flexibility, grants, and reputation)



# UNDERSTANDING THE CHALLENGE




- Current water use and progress to date
- Long-term demand outlook and growth
- Conservation gap:
  - ~4,000 AFY achieved today
  - ~13,000 AFY required by 2040
- Key compliance milestones:
  - 2031 – first exceedance
  - 2035 – major outdoor efficiency step-down
  - 2040 / 2041 – full compliance required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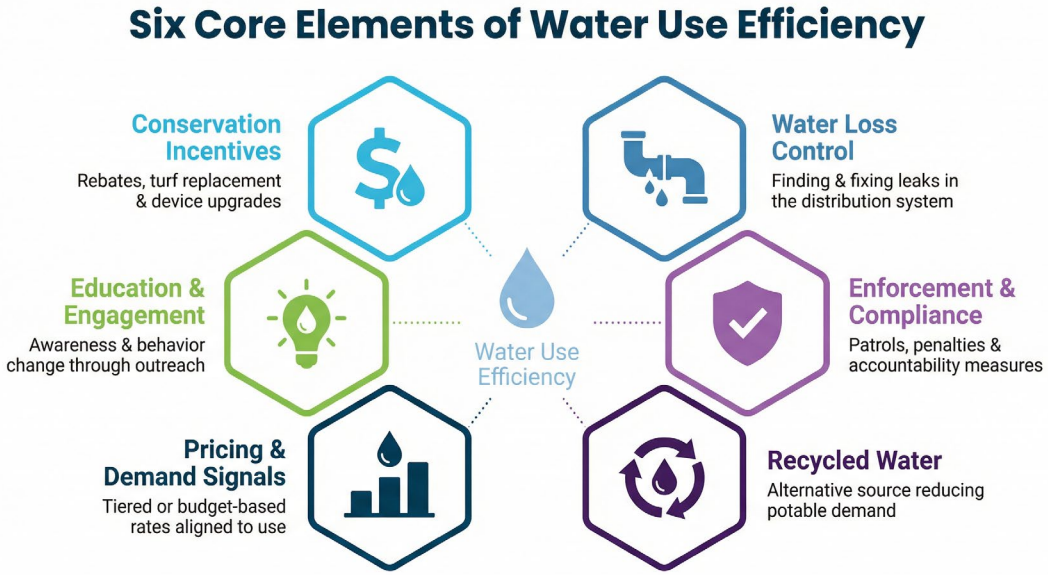
# PLANNING FRAMEWORK

- Alignment with:
  - SCV Water Strategic Plan
  - Urban Water Management Plan
  - Water Shortage Contingency Plan
- Stakeholder engagement and data-driven approach
- Six elements of water use efficiency:
  - Conservation incentives
  - Water loss control
  - Education & engagement
  - Pricing & demand signals
  - Recycled water
  - Enforcement & compliance





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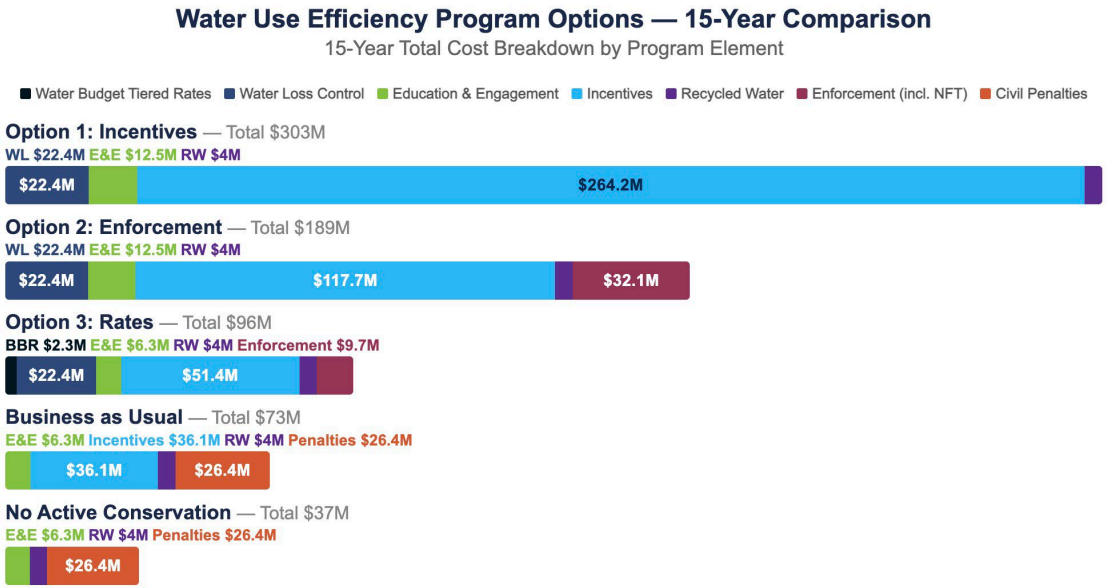
# PROGRAM OPTIONS EVALUATED




| Metric | Option 1 | Option 2 | Option 3 | Business as Usual | No Active Conserv. |
|---|---|---|---|---|---|
| 15-Year Total Cost | $303M | $189M | $96M | $73M | $37M |
| Annual Average | $20M | $13M | $6M | $5M | $2M |
| Cost Effectiveness | $1,655/AF | $1,030/AF | **$525/AF** | $1,202/AF | $1,795/AF |
| Water Savings (AF) | 13,000 | 13,000 | 13,000 | 4,830 | 2,154 |
| Active Conservation (AF) | 13,000 | 13,000 | 13,000 | 4,830 | 2,154 |
| Proposed FTEs | **14** | **15** | **9** | **6** | **3** |
| Compliance Gap (13,000 AFY) | ✓ Compliant | ✓ Compliant | ✓ Compliant | ⚠ 8,170 AF OVER | ⚠ 10,846 AF OVER |
| Takeaway | *High-Cost Compliance* | *Enforcement Driven* | *Lowest-Cost Compliance* | *Penalty Reliance* | *High-Risk Inaction* |

Water Savings include 791 AF Active Conservation addition • Compliance Gap target: 13,000 AFY • Source: MEA Consulting + SCV Water

- Status quo (non-compliant)
- Heavy incentives approach
- Enforcement-driven approach
- Budget-based tiered rates approach
- Non-Compliance

- Evaluation criteria:
  - Compliance
  - Cost effectiveness
  - Staffing requirements
  - Customer and community impacts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# RECOMMENDED STRATEGY: BALANCED PORTFOLIO

- Overview of the recommended option
- Why this approach works for SCV Water:
  - Achieves compliance
  - Lowest long-term cost
  - Scalable and flexible
- Estimated savings by element:
  - Budget-based rates
  - Water loss control
  - Incentives and education
  - Recycled water
  - Targeted enforcement

| Program Element | Est. Savings | How It Works |
|---|---|---|
| **Budget-Based Tiered Rates** | 7,000+ AFY | Personalized water budgets by household & landscape size; price signal for above-budget use; efficient customers see bills decrease |
| **Water Loss Control** | 2,000 AFY | Leak detection, pressure management, distribution system repair — stops waste before it reaches the meter |
| **Enhanced Incentives** | 1,600+ AFY | Landscape conversion rebates, fixture replacement, smart irrigation, targeted high-user outreach |
| **Education & Outreach** | 1,400 AFY | Community workshops, usage comparison tools, California-friendly landscape demonstrations, AMI-powered personalized nudges, and leveraging existing school and adult education program |
| **Recycled Water** | 450 AFY | Existing customer conversions (new development adds 6,600 AFY via LEF 1.0 credit) |
| **Targeted Enforcement** | 600 AFY | Address egregious waste; backstop to other program elements |
| **TOTAL TARGET** | 13,000+ AFY | Meets the UWUO mandate |


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# COST, EQUITY, & CUSTOMER CONSIDERATIONS

| Option | Compliant? | 15-Yr Cost | Annual Program Cost | New Full Time Employees Required |
|---|---|---|---|---|
| **Status Quo** | ✗ No | $73M + fines | ~$5M/yr | 0 |
| **Option A: Heavy Incentives** | ✓ Yes | $303M | ~$20M/yr | +5–6 FTE |
| **Option B: Enforcement** | ✓ Yes | $189M | ~$13M/yr | +8 FTE |
| **Option C: Budget-Based Rates ★** | ✓ Yes | $96M | ~$6M/yr | +3.5–4 FTE |

- 15-year cost comparison
- Cost per acre-foot savings
- Equity protections:
  - Water budgets based on need
  - Efficient customers protected
  - Health and safety water use ensured
- Support for residential, business, and large landscape customers


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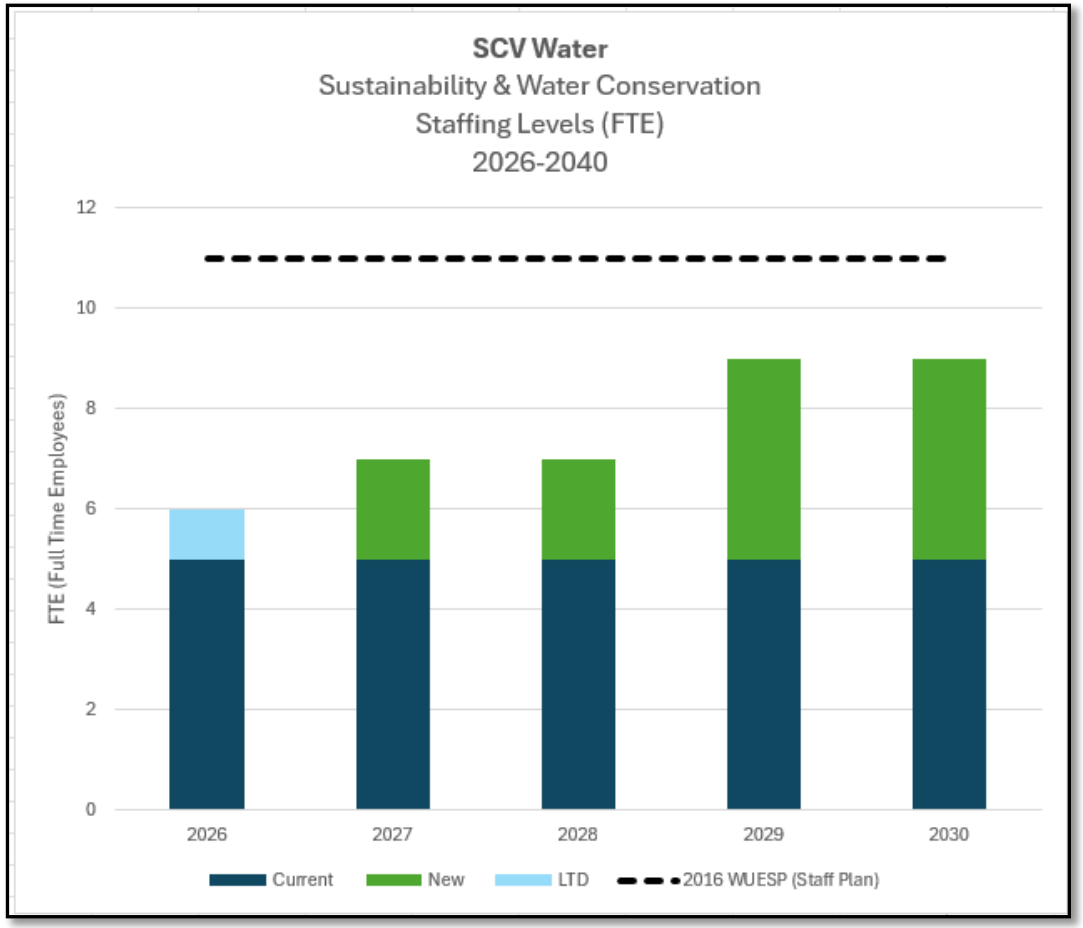
# STAFFING & ORGANIZATIONAL CAPACITY

- Current staffing levels
- Proposed phased staffing increases
- Focus on program delivery, compliance, and customer engagement
- Reduced staffing needs compared to prior plans





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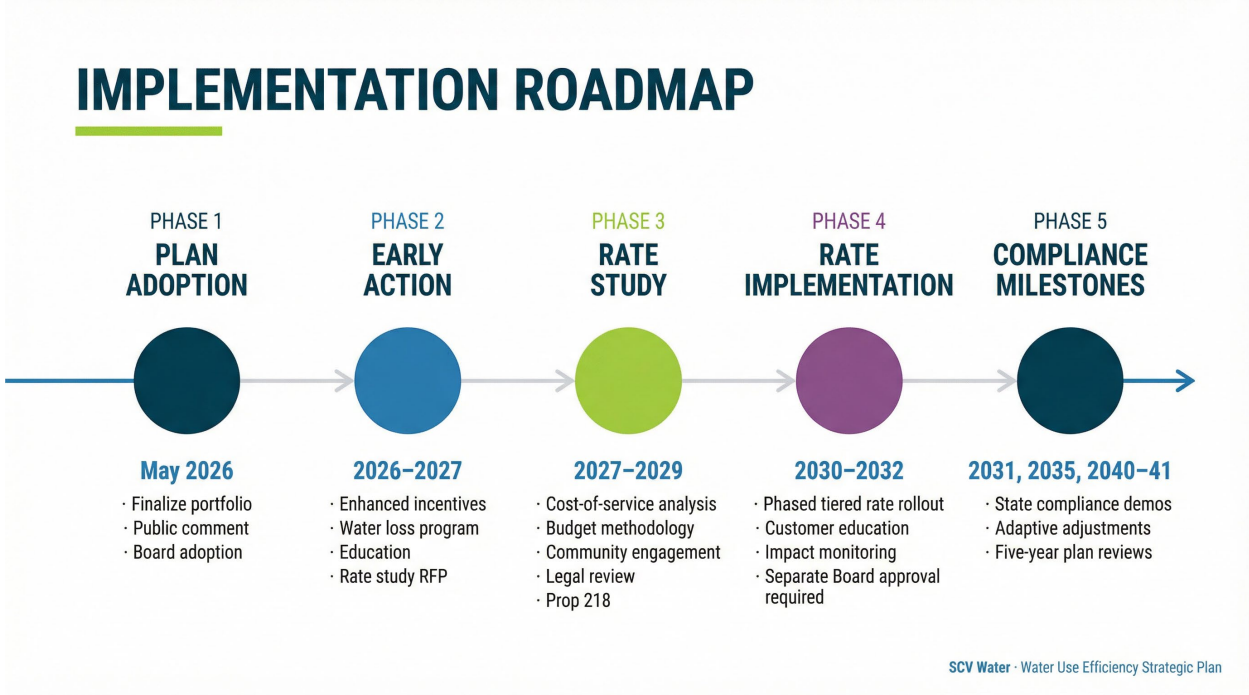
# IMPLEMENTATION ROADMAP




- Near-term actions (2026–2027)
- Rate study and analysis phase (2027–2029)
- Potential phased implementation (2030+ if approved)
- Ongoing compliance reporting and performance tracking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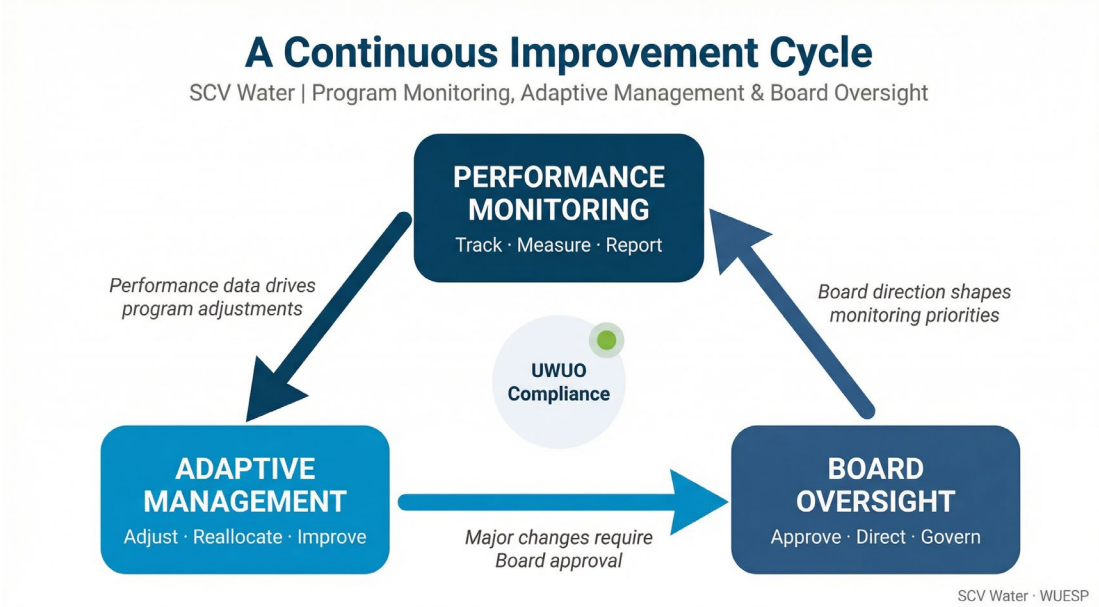
# BOARD OVERSIGHT & FLEXIBILITY

- Adoption sets strategic direction only
- No rate changes approved with this action
- Future Board approvals required for:
  - Rate design
  - Program changes
  - Budget allocations
- Five-year review and adaptive management





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# STAFF RECOMMENDATION

Staff recommends that the Water Resources and Watershed Committee recommend the SCV Water Board of Directors Adopt the 2026 Water Use Efficiency Strategic Plan.

# QUESTIONS & COMMENTS

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