

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**July 11, 2016**

**Approval of Changes to the Conservation Rebate Program**

**Synopsis**

The Board of Directors is requested to approve changes to the District's conservation rebate program, which includes a high-efficiency toilet rebate and a graywater/rainwater harvesting rebate.

**Background**

In 1995, the District established its toilet rebate program. A \$50 rebate was offered to customers for the installation of a 1.6 gallon or less per flush toilet and \$40 for any additional toilets installed.

In 2002, after extensive research and discussion, the Board approved a second conservation rebate for graywater and rainwater harvesting systems. The District began reimbursing \$50 for materials used to install either type of water harvesting system, initially using existing toilet rebate funds. The \$50 amount was based on Tucson Water's rebates at the time.

The toilet rebate program was modified in 2006 to cover only high-efficiency toilets (HET) using 1.28 gallons or less per flush. In 2009, due to an uptick in HET toilet rebate applications, the Board of Directors approved the use of funds in the graywater/rainwater harvesting rebate budget to continue funding toilet rebates.

The District now budgets about \$10,000 for rebates annually based on customer participation. Over the past few years, the toilet rebate fund has been set at about \$8,500 and the graywater/rainwater harvesting rebate at \$1,500, though these amounts are rarely reached. Budgeted funds are available for either type of rebate application even if one is more popular than anticipated. All eligible rebate applications are approved so that the conservation message is consistently reinforced.

Conservation rebates are just one part of the District's Modified Non-Per Capita Conservation Program, reported annually to the Arizona Department of Water Resources. The District also works with the Water Conservation Alliance of Southern Arizona (Water CASA), hosts annual water harvesting workshops, and provides conservation information year-round using additional conservation funds, separate from dedicated rebate funds.

**Issues**

The District's water harvesting rebate has not been updated since its inception in 2002. Customers have inquired about the relatively low rebate amount offered by the District for water harvesting

systems. The costs to install a water harvesting system ranges from several hundred to thousands of dollars, depending on complexity. Some customers have expressed they would be more likely to build a water harvesting system if the rebate amount was increased.

Tucson Water has enacted many more requirements to receive a rebate but offers up to \$2,000 depending on the type of system. Tucson Water funds its conservation rebates by charging their customers a monthly conservation fee, while the District funds its conservation programs directly through its operating budget without charging ratepayers an additional conservation fee. Even though the proposed District rebate is substantially less than Tucson Water's rebate, a 400% increase in harvesting rebates is an appropriate balance between conservation initiatives and the operating budget.

The toilet rebate was established at \$50 for the first toilet and \$40 for each additional toilet but the seemingly arbitrary difference in the second toilet amount has resulted in an increase to processing time because customers sometimes submit the applications separately and staff must check records to see if the customer has ever received a toilet rebate in the past. Adjusting the toilet rebate to \$50 per toilet regardless of the number of toilets replaced would streamline the process and ensures equitable rebates are given for each inefficient toilet that is replaced.

There have been some suggestions to make it easier for customers to submit rebate applications electronically. Currently, customers must request or print the form, complete it by hand, print pictures (required for water harvesting rebates), and mail everything back. Recreating the applications as fillable forms would allow them to be completed on the computer and everything could be submitted electronically, including pictures.

### **Recommendation**

It is recommended that the Board of Directors increase the graywater/rainwater harvesting rebate to an amount up to \$200 for reimbursement of qualifying components purchased. It is also recommended to adjust the toilet rebate to \$50 per toilet, regardless of the number of toilets replaced. Both the water harvesting and toilet rebate applications have been redesigned as fillable PDFs to allow for more efficient electronic submittal.

### **Suggested Motion**

I move to approve increasing the graywater/rainwater harvesting rebate to an amount up to \$200 for reimbursement of qualifying components purchased and further move to adjust the toilet rebate to \$50 per toilet, regardless of the number of toilets replaced.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager