

SAFE, CLEAN WATER PROGRAM

Credit/Rebate & Incentives Programs Subcommittee

Meeting Summary: February 6, 2018

MEETING IN BRIEF

This was the first meeting of the Credit/Rebates & Incentives Programs Subcommittee for the Safe, Clean Water Program. The objectives of the meeting were to:

1. Provide overview of the Credit/Rebates, & Incentives Subcommittee purpose and roles
2. Discuss and gather feedback on how Credits/Rebates & Incentives Programs can best meet the objectives of the Safe, Clean Water Program

Attendees

Daniel Bradbury
Russ Bryden
Liz Crosson
Alberto Grajeda
Peter Herzog
Pamela Manning

Marsha McLean
Darren Miller
Heather Miranda
Shane Phillips
Rachel Roque
Bertha Ruiz-Hoffman

Jess Talamantes
Melissa Turcotte
Teresa Villegas
Melanie Winter
Eric Wolf
Katy Young

Agenda:

Welcome

The goal for the meeting is to conduct listening sessions for County staff and leadership to gather ideas and explore thought lines for Program Content with stakeholders. These meetings also allow for interested parties to hear each other, to better understand each other, and develop a more meaningful and impactful Program, together. These meetings are not meant to achieve consensus.

Review of Board of Supervisors' Purpose and Intent for the Safe, Clean Water Program

The objectives and outcome of the Safe, Clean Water Program were reviewed.

Credit/Rebate & Incentive Proposal

Please refer to the presentation handout for Credit/Rebates & Incentives

Discussion

What is the difference between an Incentive Program and Credit/Rebate Program?

Comments received include:

- Suggestion that an Incentive Program be aimed at encouraging parcel owners to engage in new stormwater management activities, while a Credit/Rebate Program should target existing improvements.
- Suggestion that an Incentive Program be geared towards larger parcels and projects, whereas a Credit/Rebate Program could be geared towards smaller parcels and projects.
- Suggestion that incentives be available as a one-time amount, while credits/rebates should be available annually.
- Suggestion that incentives be targeted at people that go above and beyond requirements.

Incentive Program Discussion Questions

What activities should be eligible under an Incentive Program?

Comments received include:

- Suggestion that offsite stormwater acceptance be included as an eligible activity.
- Note that lawn removal-type programs have been successful in changing behaviors and target small parcel owners, but that lawn removal-type programs are not as successful (cost-wise) in comparison to larger projects.
- Suggestion that incentives not be given for compliance with LID requirements, but that LID compliance be considered for Credits/Rebates.
- Suggestion that projects on larger parcels have a much more significant impact while improvements on smaller parcels don't typically have a significant stormwater capture element. The group discussed the need to ensure that parcel improvements are contributing towards Program Outcomes to be eligible for either Program. There was recognition among the group that a reduction in runoff (lawns, irrigation) has a nexus to stormwater.
- Suggestion that incentives be available for large, expensive projects so that money can be received upfront and that incentive amounts be directly proportional to the scale of the project. Some members would like to consider how to incentivize small-footprint buildings that are spending a lot to manage stormwater.
- Suggestion that FCD consider using funds to supplement existing water use efficiency programs, but also invest in other types of stormwater management.

What kind of certification/verification standards should be incorporated into the Incentive Program?

Comments received include:

- Note that time and money spent on the administration of the Incentive Program is important to consider. Verification and Administration should be made as simple as possible. Suggestion that larger projects (e.g. detention basins) may not need frequent certification, whereas others state that verification/certification on the front-end is necessary for all projects, as well as annual verification of proper O&M.
- Suggestion that simplicity is important to help incentivize people to participate. The process should not be cost-prohibitive for applicants. Potential participants will look at their cost-benefit ratio.

How should funding and administration of the Incentive Program be handled?

Comments received include:

- Suggestion that FCD consider partnering with community organizations to provide administration for small parcels.
- Suggestion that incentive programs be funded by:
 - Regional funds
 - Pulling funding from all funds (Regional, Municipal, FCD)
 - FCD funds
- Suggestion that funding towards Incentive Programs should be limited to provide a majority funding towards Regional and Municipal multi-benefit projects. Flexibility to raise the limit for the Incentive Program should be considered along with an annual cap for funding. Suggestion that an incentive program should consider providing some funding in advance and the remainder of funds after the improvement proves effective.
- Suggestion that the following administration for Incentive Programs:
 - Similar to Regional Open Space District, an operation (application process, verification, etc.) and a single, large oversight entity is needed to make this work.
 - By a regional group so that Municipalities are not spending funds on programs that are not effective
 - By Municipalities since they are better positioned to control local development and could potentially flag things during development
- Suggestion that each municipality not have its own Incentive Program due to potential inconsistencies unless some consistent minimum standards are implemented. It will be challenging to start in a new regional program with the existence of many programs already dedicated to dry weather runoff management.

What would constitute an “effective” project?

Comments received include:

- Suggestion that requirements and constraints should be based on outcomes and that the Program should not incentivize single-purpose projects.
- Suggestion that the programs/projects be tied to the amount of runoff captured/treated
- Note that valuing benefits individually is difficult due to overlap (e.g. a supply-focused activity may also have some quality benefit)

Credit/Rebate Program Discussion Questions

What activities should be eligible under a Credit/Rebate Program?

Comments received include:

- Suggestion that eligible credit/rebate programs be adjustable based on how many Program benefits are realized or how much supply vs quality benefit is provided. Note that the combination of benefits that may be considered for a credit/rebate and commented that some areas may not be able to achieve all three benefits.
- Suggestion that single-purpose projects/programs (e.g. trash collection) should not apply if the projects do not provide another benefit.
- Suggestion that FCD consider making water quality benefits a threshold, and that water quality be the main benefit targeted by a credit/rebate program.

How should funding and administration of a Credit/Rebate Program be handled?

Comments received include:

- Note that the amount of administrative burden for ongoing verification could be a burden. Suggestion that a single entity to administer and further suggested that FCD administer as the revenue is initially funneled through FCD.
- Suggestion that Municipalities may want flexibility to provide credits/rebates, but that the credits/rebates to residents may not be equitable if left to each municipality. Suggestion that FCD consider the need to have consistent program requirements and limitations to be established Countywide.
- Question of how Cities that already have taxes might fit into this new tax.
- Suggestion that FCD consider leveraging or adding on to existing credit/rebate programs (e.g. MWD, Cities, DWP) to add a supply element.

1. Next Steps

- Summarize relevant strategies from existing credit/rebate programs
- Discuss qualifying activities for each program

2. Public Comment

A member of the public noted that a white paper on the use of financial incentives on stormwater was completed recently and that she will share this with the subcommittee.

3. Closing Remarks

Ms. Young and Ms. Manning thanked all members for their participation.

4. Adjourn

Ms. Manning adjourned the meeting.

DRAFT