

**BOARD OF UTILITIES COMMISSIONERS**

1800 E. Wardlow Road, Long Beach, CA 90807
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January 19, 2023

Subject

Authorize an increase of the Lawn-to-Garden incentive to \$3.00 per square foot for front yards, back yards and commercial properties and authorize the expenditure of LBU funds to continue the incentive at such amount after the MWD incentive reverts to \$2.00 per square foot.

Executive Summary

In 2010 the Board of Water Commissioners authorized the Water Conservation Turf Replacement Program, now known as the Lawn-to-Garden (L2G) Program. The L2G incentive has been adjusted various times throughout the years ranging from \$2.50 per square foot to \$3.50 per square foot. In 2019, the Board of Water Commissioners authorized the increase of the L2G incentive to \$3.00 per square foot for front yards, \$2.00 per square foot for back yards, and \$2.00 per square foot for commercial properties.

The cost of L2G is largely offset by reimbursement from the Metropolitan Water District of Southern California (MWD). MWD had been reimbursing Long Beach Utilities (LBU) \$2.00 per square foot, effectively making the net cost to LBU \$1.00 per square foot for residential front yards, \$0.00 for residential backyards, and \$0.00 for commercial properties. MWD was recently awarded grant funding for turf replacement, which has allowed MWD to temporarily increase their reimbursement amount from \$2.00 per square foot to \$3.00 per square foot starting November 1, 2022. Once the grant funding is exhausted the MWD incentive will revert to \$2.00 per square foot unless and until they receive any further grants or direction from the MWD Board of Directors.

As a result of the increased funding available from MWD, LBU staff increased the L2G incentive for back yards and commercial properties to \$3.00 per square foot so that Long Beach customers applying for the L2G program after November 1, 2022 could receive the temporarily increased incentive amount funded by MWD at zero additional cost to LBU.

Staff recommends the Board authorize the use of LBU funds in the amount of \$1.00 per square foot to continue the L2G incentive at \$3.00 per square foot for front yards, back yards, and commercial properties when the MWD incentive reverts to \$2.00 per square foot.

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Recommendation

Option #1: Authorize an increase of the Lawn-to-Garden incentive to \$3.00 per square foot for front yards, back yards and commercial properties and authorize the expenditure of LBU funds to continue the incentive at such amount after the MWD incentive reverts to \$2.00 per square foot.

Fiscal Impact: Based on the historical L2G participation over the past five years, the average total incentive payment amount is approximately \$450,000 per year, largely reimbursed by MWD, resulting in an average annual net cost to LBU of \$140,000. The additional cost to the Water Fund is estimated to be approximately \$25,000 per year. These costs are unbudgeted in the Water Fund. However, it is expected that these costs can be absorbed within the Water Fund using projected savings within the Fund.

Option #2: Maintain the Lawn-to-Garden incentive at \$2.00 per square foot for back yards and commercial properties.

Fiscal Impact: The average annual net cost to LBU of \$140,000 would be expected to remain the same. These costs are included in the Water Fund FY 23 Budget and financial projections.



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