

**1. Proposal Name:** Rebate Program for Innovative Water Efficiency Practices for Homes

**2. Proposal Summary:** Georgia is a national leader in water efficiency, and our efforts support our quality of life, the growth of our economy, and good stewardship of our natural resources. The 2010 State Water Stewardship Act was recognized as a national model and the Metropolitan North Georgia Water Planning District’s (“District”) toilet rebate programming has led to substantial quantitative water savings over the last decade. To build on these successes, we should encourage new, innovative water efficiency practices to provide quantifiable water savings and solidify Georgia’s position as a national leader. The District is requesting \$4 million in grant funds for rebates for the early, voluntary adoption of innovative home water efficiency practices. The District will match this with \$655,640 in local dollars. Implementing customers are expected to make investments exceeding \$3.4 million. The 15-county District area (see details in Section 3) is an ideal location for early adoption and study of these water efficiency practices given the number of existing and new homes.

Rebates would be offered for the following categories of practices:

- In-Home Smart Leak Detection Devices. In home leaks account for close to 15% of water used in residential settings. Leaky pipes, running toilets, and valves left open also cause surprise high water bills and can result in extensive property damage. Smart leak detection devices allow consumers to identify and stop leaks quickly.
- Drought-Tolerant Turf. Home builders can now choose from several drought tolerant Bermuda grasses. The District would develop a standard for drought tolerant Bermuda grasses to give home builders multiple choices for reducing lawn watering needs and provide them with a rebate to encourage installing these lawns at new homes. Data will be collected from these installations to show how drought tolerant grasses can lower consumptive water use.
- Water Efficiency Ratings for Homes. Home water efficiency rating programs provide consumers with information necessary to compare the water efficiency of new and existing homes. These ratings empower consumers and encourage builders and home sellers to improve the water efficiency of their homes.
- Ultra-High Efficiency Toilets. Product engineers continue to develop increasingly efficient, high-performing toilets. At 1.1 gallons per flush or less, these products offer even more water and cost savings. Many models are available at competitive prices with high levels of consumer satisfaction. Rebates would increase installation of these ultra-high efficiency devices.

**3. Description of the Issue:** Water use efficiency has been and remains a priority for the District. We need to be good stewards of our water resources for ourselves and all of our downstream neighbors in Georgia and beyond. The District is at or near the headwaters of six of the State’s major river basins. This means we are dependent on rainfall and reservoir storage for our water

supplies, and efficiency helps us make better use of the supplies we have. The District and the State of Georgia are at the front of the pack nationally with innovative voluntary programs such as the Georgia Water Stewardship Act of 2010.

As Justice Barrett wrote in the 9-0 decision in *Florida v. Georgia* lawsuit decided by the U.S. Supreme Court in 2021 in Georgia’s favor, the court “emphasize[d] that Georgia has an obligation to make reasonable use of Basin waters in order to help conserve that increasingly scarce resource.” With more than a decade of success under our belts, the need to be good stewards remains, and it is now time to promote the voluntary adoption of the latest generation of innovative water efficiency practices. By promoting early adoption through rebates, this will lay the groundwork for mass adoption of the best practices in the future.

All of the water efficiency practices in this proposal are eligible for funding under Georgia’s Coronavirus State Fiscal Recovery Grant Program because they are consistent with the examples of eligible water efficiency projects listed on pages 50 to 52 of the [EPA’s 2017 Drinking Water State Revolving Fund Eligibility Handbook](#). The Interim Final Rule from the US Treasury provides that anything eligible under the Drinking Water State Revolving Fund is an eligible use of State Fiscal Recovery Funds. For water-related projects, no connection to COVID-19 is required.

The District will focus this effort on its planning area, which includes the following 15 counties: Bartow, Cherokee, Clayton, Coweta, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Paulding, and Rockdale. See the 2020 US Census data for latest demographic data. Rebates will be offered in all zip codes in these 15 counties.

The rebates will also increase economic activity and support jobs in the Georgia retail, plumbing, landscaping, and building science sectors.

#### **4. Project Design and Implementation:**

The District will administer a regional rebate program focused on residential water efficient practices related to housing. The District will design effective rebate programs, advertise and provide education on the water efficiency practices as part of the rebate program, review and approve applications, including supporting documentation, perform additional verification as needed, and make rebate payments to the applicants either through bill credits in partnership with their water utility or through other payment mechanisms.

Program policies and procedures will be developed for each type of water efficiency practice being rebated in accordance with industry best practices and in consultation with stakeholders. The District will draw heavily from its experience running a toilet rebate continuously since 2008. In connection with the drought tolerant turf grass rebates policies and procedures, the District will work with industry stakeholders to develop, manage, and promote a District standard for turf grasses with superior levels of drought tolerance.

The District would begin developing and implementing the rebate program upon grant award in Q1 2022. The District would continue offering rebates through Q1 of 2026 and complete the final

reporting and close-out in Q2 of 2026. The District is proposing the schedule and performance measures outlined in more detail in the attached spreadsheet.

**5. Capabilities and Competencies:** The District has continuously and successfully operated a toilet rebate program since 2008, and together with its utility partners has rebated more than 145,000 toilets. The website for the current program is at [www.northgeorgiawater.org/conservation-water/toilet-rebate-program](http://www.northgeorgiawater.org/conservation-water/toilet-rebate-program).

Through its operation of this rebate program, the District has developed staff competencies, administrative systems, and knowledge that can be expanded and applied to the proposed rebate program for innovative water efficiency practices. The District handles all aspects of this program from creating and implementing policies and procedures, managing budgets, reviewing and approving applications, and hiring and training staff from the management level down to more junior staff that perform application reviews.

As water efficiency practices and technology have evolved since 2008, the District has updated and adapted its program policies and procedures as well, and the District is well positioned to update, adapt, and expand its rebate program for the innovative water efficiency practices as proposed in this grant application.

The managing director of the group has eight years of experience overseeing the big picture policy and programming of the rebate program. The manager of the rebate staff has five years of experience. Implementation staff have three years and one year experience respectively. The District plans to add one more full time implementation staff person and one or two more part time staff to help manage the program and review applications.

**6. Plan for Collecting the Data Required:** As a subrecipient, the District is committed to ensuring all grant funding is used for eligible purposes. The District will designate a staff point person for ensuring all compliance and quarterly reporting obligations are met in accordance with the Compliance and Reporting Guidance from the U.S. Department of the Treasury. Consistent with how the District has operated its existing toilet rebate program for more than a decade, the District will require submission of applications with receipts or other proof of purchase covering every rebate. The District will review each application and supporting documentation to confirm eligibility, and will save all approved applications and supporting documentation in its files for five years. This process of receiving, reviewing, approving, and saving rebate applications will be formalized in written policies and procedures for this program.

The District's proposal does not include any state grant funding for administrative costs, salaries, or expenses, the purchase of equipment for the District's use, or the procurement of third-party services, so this should help streamline reporting and compliance. Administrative costs will be covered through local funds by the District.

Performance will be measured and reported on a quarterly basis based on the number of rebates approved and paid compared to the overall number funded under this grant. The performance measures for each quarter are included in the attached spreadsheet.

The District will prepare a final report evaluating program implementation, reviewing data on how much water has been saved or is expected to be saved by the water efficient practices, and identify the best, proven practices for broad implementation in the future.

**7. Budget:** The District is requesting \$4 million in grant funds, and 100% of these grant funds will be used for rebates for water efficiency practices related to homes. See the attached supporting documentation that includes the detailed assumptions and breakdowns of the rebates by type of water conservation practice. Starting January 1, 2024, the District would like to reserve the right to rebalance the funding budgeted for each type of rebate based on the popularity of each water efficiency practice. The total for all rebates will remain \$4 million.

The District partners with the Atlanta Regional Commission (“ARC”) to provide administrative accounting and financial administrative services, and the District is proposing to use these services as well as ARC’s EIN, DUNs, and SAM number for this grant. The District has and will continue to maintain a separate organizational board, budget (including rebate program admin costs), and third-party audit, and ARC’s role is limited to supporting the District’s through day-to-day administrative services.

**8. Match Funds:** The total match will be at least \$4,000,000 or 1-to-1 with grant funds. The District will use its funds to cover \$655,640 in administrative expenses, and customers are expected to invest at least \$3.4 million to cover the cost of these water efficient practices after deducting the amount of the rebate. Furthermore, this \$3.4 million does not fully capture the economic activity these rebates will generate in Georgia retail, plumbing, landscaping, and building science sectors.

**9. Supporting Documentation:** The attached excel file includes the proposal budget, schedule, and performance measures

### District Performance Measures

Q1 2022	(1) Begin developing policies and procedures, (2) develop website and databases, (3) advertise new full and part time positions (1) Finalize policies and procedures, (2) finalize website and databases, (3) hire for new full and part time positions, (4) coordinate with utilities and other partners on rebate process and payment mechanisms, (5) launch marketing, (6) sponsor training for home rating system, (7) begin taking applications, (8) first quarterly report
Q2 2022	
Q3 2022	(1) process and pay 5% of total rebates (2) quarterly report, (3) continue marketing, (4) sponsor training for home rating system
Q4 2022	(1) process and pay 10% of total rebates (2) quarterly report, (3) continue marketing
Q1 2023	(1) process and pay 15% of total rebates (2) evaluate need for further marketing, (3) quarterly report
Q2 2023	(1) process and pay 20% of total rebates (2) quarterly report, (3) sponsor training for home rating system
Q3 2023	(1) process and pay 25% of total rebates (2) quarterly report
Q4 2023	(1) process and pay 30% of total rebates (2) quarterly report
Q1 2024	(1) process and pay 38% of total rebates (2) quarterly report, (3) evaluate need for further marketing
Q2 2024	(1) process and pay 46% of total rebates (2) quarterly report
Q3 2024	(1) process and pay 54% of total rebates (2) quarterly report
Q4 2024	(1) process and pay 62% of total rebates (2) quarterly report
Q1 2025	(1) process and pay 70% of total rebates (2) quarterly report, (3) evaluate need for final marketing
Q2 2025	(1) process and pay 77.5% of total rebates (2) quarterly report
Q3 2025	(1) process and pay 85% of total rebates (2) quarterly report
Q4 2025	(1) process and pay 92.5% of total rebates (2) quarterly report
Q1 2026	(1) process and pay 100% of total rebates (2) quarterly report
Q2 2026	(1) process any final rebates, (2) quarterly report, (3) final report

<u>District Administration</u>	<u>Total Amount</u>	<u>Funding Source</u>	<u>Notes*</u>
Existing Staffing	\$ 150,000.00	Reallocate existing staff time	Existing staff time will be reallocated to launch the program in 2022 and wind it down in 2026
New Staffing	\$ 335,640.00	2 pennies per capita for three years	Assumes 1 new FTE; 1 part time from 2023 to 2025
Education	\$ 120,000.00	Reallocate regular annual funding	Education and promotion related to rebate programs and practices
Training - Home Efficiency Ratings	\$ 50,000.00	Reallocate regular annual funding	Sponsor trainings for home efficiency rating providers
<b>Total</b>	<b>\$ 655,640.00</b>		

\*The District's fiscal year is the calendar year

<u>Water Efficient Practices</u>	<u>Grant Funding</u>	<u>Customer Spending (After Rebate)</u>	<u>Notes</u>
Smart Leak Detection Devices	\$ 600,000.00	\$ 520,000.00	\$125 rebate for monitoring devices with retail price of \$200; \$250 for monitoring + shut-off devices with retail price of \$500; budgeted for 400 rebates for each type of device per year from 2022-Q3 to 2026-Q2
Drought Tolerant Turf	\$ 1,300,000.00	\$ -	Average rebate of \$250 per new lawn, which is intended to cover the full cost difference compared to typical Bermuda turf; budgeted for 1300 homes per year from 2022-Q3 to 2026-Q2
Home Efficiency Ratings	\$ 450,000.00	\$ 500,000.00	\$225 rebate for rating with a cost of \$475; budgeted for 500 homes per year from 2022-Q3 to 2026-Q2
Ultra-High Efficiency Toilets	\$ 1,650,000.00	\$ 2,420,000.00	\$75 rebate for toilets with an average retail price of \$185; budgeted for 5500 toilets for single and multifamily combined per year from 2022-Q3 to 2026-Q2
<b>Totals</b>	<b>\$ 4,000,000.00</b>	<b>\$ 3,440,000.00</b>	

\*Note - Starting January 1, 2024, the District would like to reserve the right to rebalance annually the funding budgeted for each type of rebate based on the popularity of each water efficiency practice. The total for all rebates will remain \$4 million.

Funding Totals from 2022 to 2026

Grant Funding	\$	4,000,000.00
District Admin Expenses	\$	655,640.00
Customer Spending	\$	3,440,000.00

