



Local Governments Empowering Our Communities

Water Upgrades \$ave

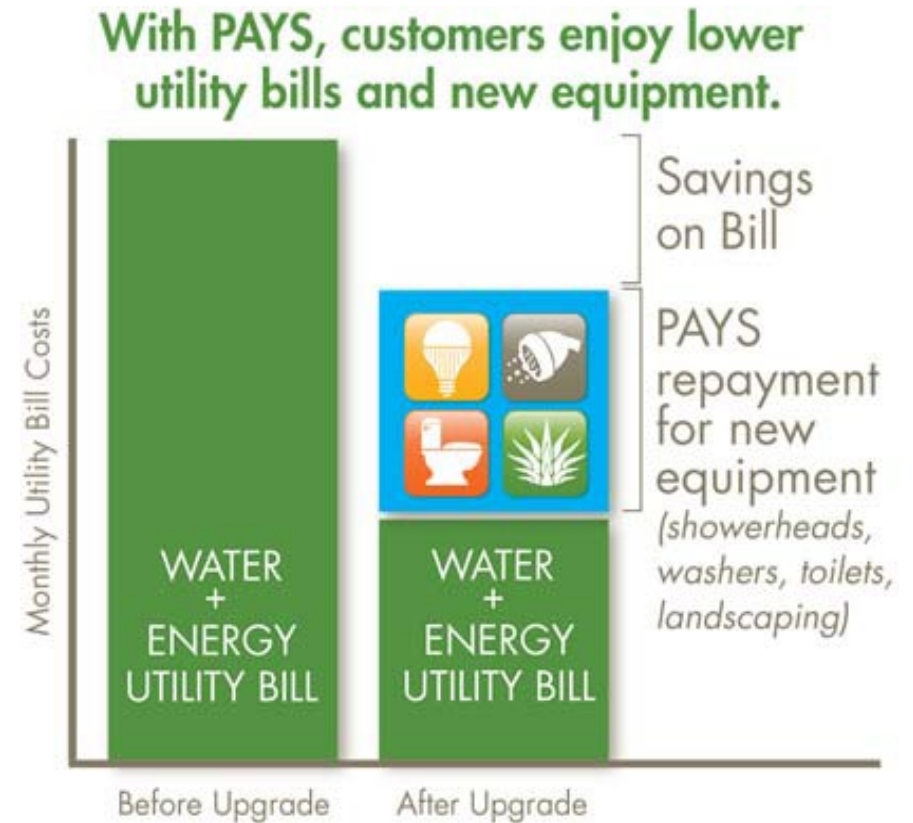
Chris Cone, Program Manager
Sonoma County Regional Climate Protection Authority

May 5, 2020

Water Upgrades \$ave

The Program allows utilities to install eligible improvements in customers' buildings with assurances field tested by BayREN's Pay-As-You-Save[®] on-bill pilots:

- No up-front payment, no new debt obligation, no credit checks, and no liens.
- Monthly on-bill **efficiency charge is significantly lower than estimated savings.**
- Participants pay only while they are a utility customer at the project location.
- A guarantee that failed measures are repaired or the payment obligation is terminated.



Water Upgrades

Sector	Indoor	Outdoor
Single Family	Basic Package	Customer Choice
Multifamily	Basic Package	Customer Choice
Commercial (late 2020)	Select equipment upgrades	Customer Choice

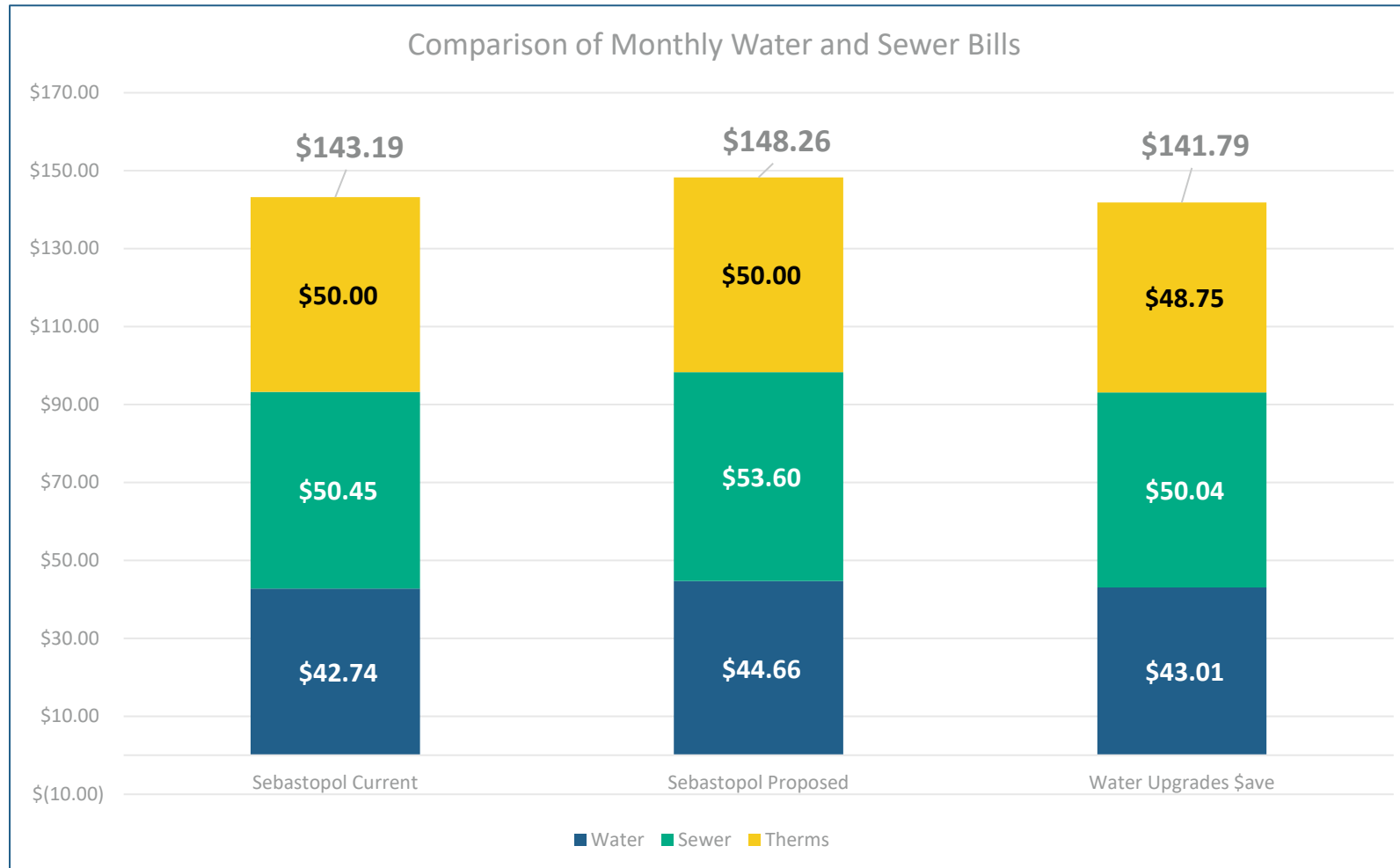
Indoor Upgrades (Basic Package ¹)	Outdoor Upgrades
<ul style="list-style-type: none"> • A 1.06-gallon per flush or better toilet² • A high efficiency (typically 1.5-gpm) showerhead • A 1.0-gpm bathroom faucet aerator • A 1.5-gpm kitchen faucet aerator 	<ul style="list-style-type: none"> • Turf removal and preparation for drought tolerant landscaping <ul style="list-style-type: none"> • <i>Drought tolerant plantings in coordination with Sonoma Water and other rebates</i> • Irrigation system installation • Irrigation system repair • Weather-based irrigation controllers

1 - The Basic Package meets or exceeds requirements of the Water Conservation Act of 2009 (SB X7-7) and can help properties comply with the 2017 (single family) and 2019 (multifamily and commercial) time-of-sale requirements created by SB 407.

2 - Program toilets must have a Maximum Performance (MAP) rating of 600 grams or more.

State standards for outdoor water conservation will be adopted by June 2022 per SB 606 (Hertzberg) and AB 1668 (Friedman).

Estimated Water Customer Savings



Sebastopol current and proposed residential water use data from *Water and Sewer Rate Study*, January 7, 2020, Figure 4-1.

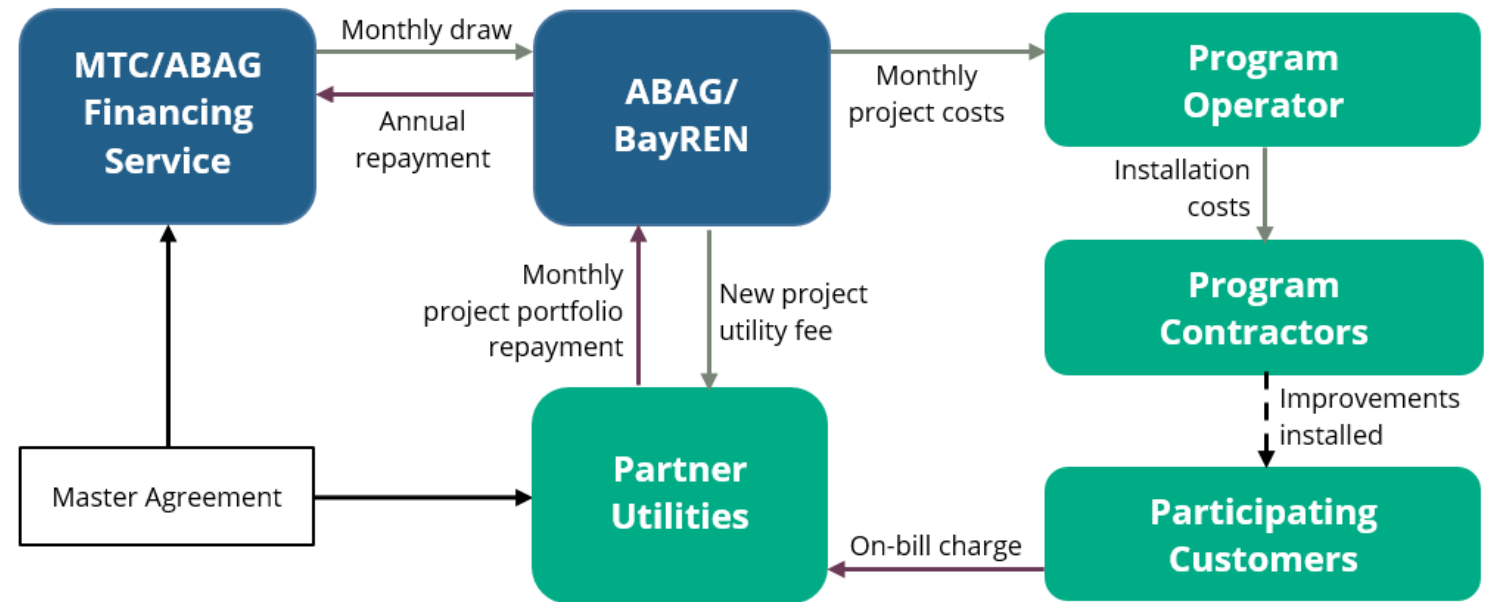
Water Upgrades \$ave data and estimated therm use from program water/energy savings calculator.

Based on 700 cubic feet of water and 300 cubic feet of sewer discharge per month on a $\frac{5}{8}$ - x $\frac{3}{4}$ -inch meter.

Regional Approach

Organized under ABAG/BayREN,
Water Upgrades \$ave:

- Facilitates low-cost capital.
- Centralizes administration.
- Streamlines service delivery.
- Simplifies program operation.



Bay Area Water Utility Market:

- 66 municipal water utilities
- 35 “best candidate” utilities

Pilot Programs

Features	Windsor Efficiency PAYS®	Green Hayward PAYS®	EBMUD WaterSmart On-Bill
Customer Class	Single Family Multifamily	Multifamily	Multifamily Commercial
Eligible Improvements	Toilets (1.06/gallons per flush) Showerheads/aerators <u>Single Family:</u> Drought-tolerant landscaping	Toilets (1.06/gallons per flush) Showerheads/aerators Weather-based irrigation controller Irrigation system repair Common area lighting Central hot water	Toilets (1.06/gallons per flush) Showerheads/aerators Weather-based irrigation controller <u>Commercial:</u> Improvements vary by customer
Started Operation	2012-2015	2014	2016
Program Operator	Third-party	Third-party	EBMUD
Capital Source	Self-funded	Self-funded	Self-funded

Projects as of November 2019 — **584** multi-family unit/**247** single family projects

Average annual water savings — **30%** multi-family/**20%** single family



Key Program Features

ABAG Financing

Program Financing

- \$1 million line of credit from MTC to ABAG to finance 2020 Water Upgrades \$ave projects — **Approved by MTC Executive Board on October 23, 2019**
- MTC finance discussions have identified several options for increasing financing sources as the program grows.

Utility Investment

- ABAG/BayREN provide financing for and installation of customer-side water efficiency improvements.
- Partner Utilities recover project costs and repay ABAG with on-bill charges paid by Participating Customers.
- Not a rebate or consumer loan program.

Turn-Key

Program Operator

- Implements centralized, streamlined Program
- Provides:
 - ✓ Marketing coordination
 - ✓ Customer support
 - ✓ Customer enrollment
 - ✓ Project scoping/verification
 - ✓ Quality Assurance/Control inspection
 - ✓ Reporting/performance data collection
 - ✓ Contractor enrollment/oversight

CRM IT Platform

- ABAG accounting integration
- Partner Utility payment reporting
- Partner Utility billing system integration
- Partner Utility/Program Operator coordination
- Program data collection/reporting
- Program data security
- Coordination with BayREN programs
- Automated, consistent process

Agreement Packet

Master Agreement

- ABAG Executive Director authorized to enter into Master Agreements with Partner Utilities — **Approved by ABAG Executive Board on November 21, 2019**
- Contract between ABAG and Partner Utilities
- Defines terms for financing service
- Utilities have option to participate in program marketing and QAQC inspections

Exhibits A through I

- Provide model fee schedule for utility adoption
- Define roles and responsibilities, on-bill charge details, payment report format, and common terms
- Include agreements for Program Operator and Participating Customers
- Include Program Manual

Program Goals

Potential to become self-supporting

Program Funding

Year of Operation	Total # of Participating Utilities	# of Residential Units/Year	Project Portfolio Capital/Year
2020	2	400 SF; 120 MF	\$864,800
2021	5 (3 new)	1,000 SF; 300 MF	\$2,162,000
2022	8 (4 new)	1,600 SF; 480 MF	\$3,459,200
2023	12 (4 new)	2,400 SF; 720 MF	\$5,188,800
2024	16 (4 new)	3,200 SF; 960 MF	\$6,918,400
2025	18 (2 new)	3,600 SF; 1080 MF	\$7,783,200
Total	20	12,200 SF; 3,660 MF	\$26,376,400

BayREN \$	2019	2020	2021	2022	2023	2024	2025
Administration	75,000	82,000	82,000	82,000	82,000	82,000	82,000
Implementation	846,633	794,500	518,200	532,600	661,300	751,200	903,200
Marketing	249,300	273,800	229,600	220,600	131,500	143,200	43,300
TOTAL	1,170,933	1,150,300	829,800	823,200	874,800	976,400	1,028,500

Next Steps

Milestones*	Dates
Program begins utility enrollment activities	Feb. 2020
ABAG/MTC “approves to form” the Master Agreement and Exhibits	May 2020
Program Operator recruited to implement Program services	Jul. 2020
Program begins enrolling Program Contractors	Jul. 2020
Program launches customer services	Aug. 2020

* Current estimate as of May 5, 2020, pending COVID-19 impacts.

“Water waste costs everyone. Waste leads to higher water prices, and developing new water supply solutions, such as building more reservoirs, water recycling, and desalination, are all expensive options.”

— California Department of Water Resources

