



Local Governments Empowering Our Communities

Water Bill Savings Program

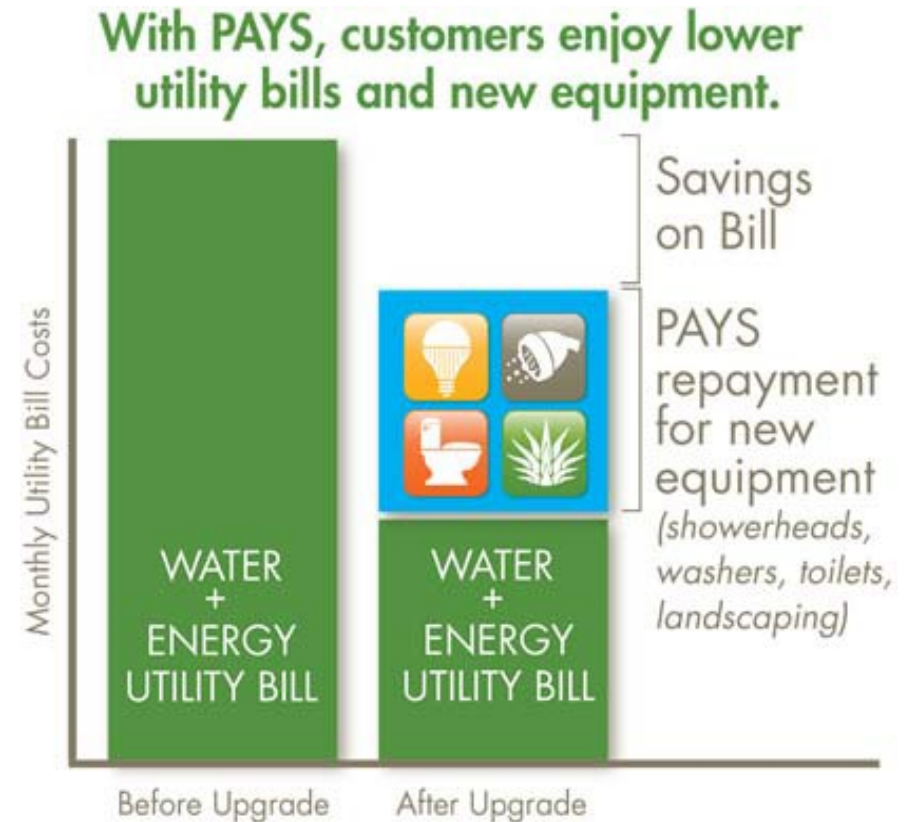
Chris Cone, WBSP Manager
Sonoma County Regional Climate Protection Authority

November 4, 2019

Program Offer

The BayREN Water Bill Savings Program allows water utilities to install eligible improvements in customers' buildings with program assurances field tested by BayREN's Pay-As-You-Save® (PAYS®) on-bill pilots:

- No up-front payment, no new debt obligation, no credit checks, and no liens.
- A monthly on-bill charge that 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.



Pilot Programs

Features	Windsor Efficiency PAYS®	Green Hayward PAYS®	EBMUD WaterSmart On-Bill
Customer Class	Single Family Multifamily	Multifamily	Multifamily Commercial
Eligible Upgrades	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 October 2019 — **584** multi-family unit/247 single family projects

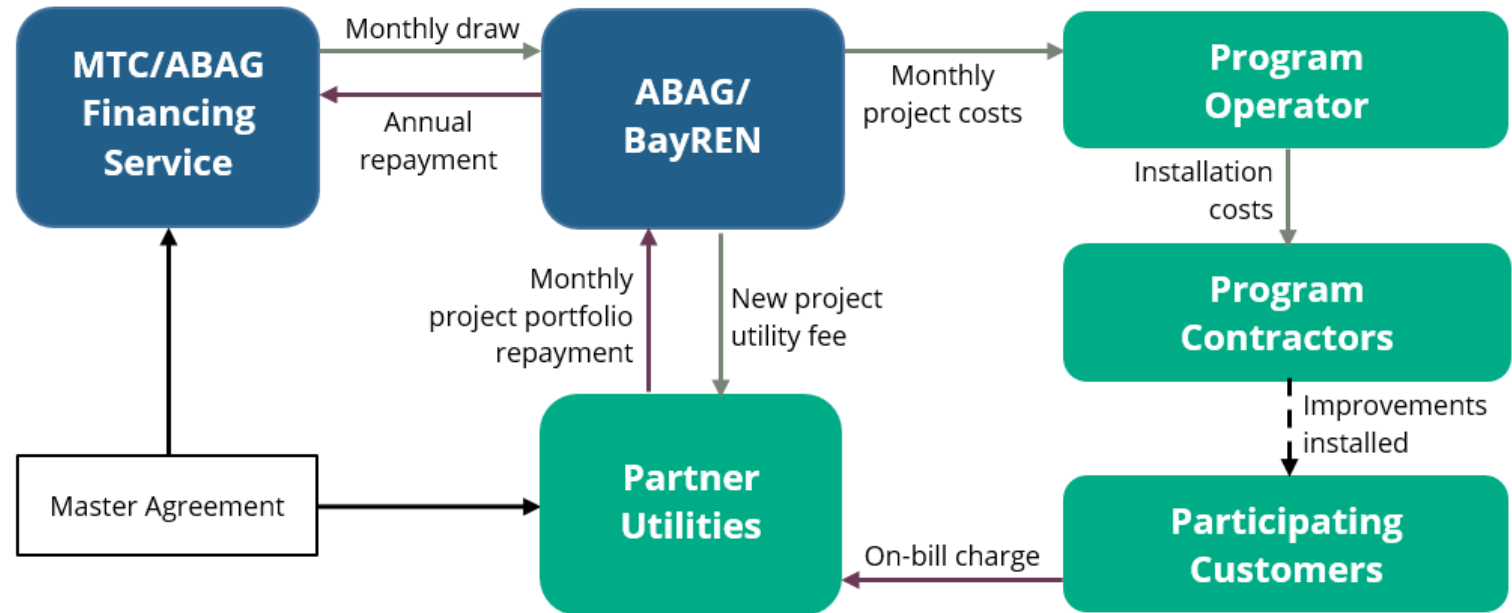
Average annual water savings — 30% multi-family/20% single family



Regional Approach

Organized under MTC/ABAG, the regional Program:

- 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

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

Key Program Features

ABAG Financing Service

Program Financing

- \$1 million line of credit from MTC to ABAG to finance 2020 Water Bill Savings Program projects — **Approved by MTC Executive Board on November 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.

Master Agreement Packet

Master Agreement

- 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 J

- 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, Program Contractors, and Participating Customers
- Include Program Manual

Plug and Play Service

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

Progress To-Date

	Completion Date
Water Bill Savings Program Process Evaluation Study published	Feb. 15, 2019
ABAG Executive Board receives Program briefing	Mar. 12, 2019
Pilot Utilities complete Program Design review	Jul. 2, 2019
Team launches Program Potential Study	Jul. 15, 2019
BayREN approves Team request for \$103K in additional 2019 funds	Aug. 1, 2019
Team launches Commercial Market Analysis Study	Aug. 27, 2019
Water law attorney hired to review key Program documents	Sep. 23, 2019
Team launches CRM platform design process	Sep. 25, 2019
MTC Legal provides comments on draft Master Agreement/Exhibits	Oct. 16, 2019
MTC Executive Board approves initial \$1 million line-of-credit	Oct. 23, 2019
Team asks Pilot Utilities to review draft Master Agreement/Exhibits	Oct. 28, 2019
Marketing consultant recruited to design customer/utility campaigns	Oct. 28, 2019

Next Steps

	Estimated Completion Date
ABAG Board authorizes Executive Director to contract with Utilities	Nov. 21, 2019
ABAG/MTC “approves to form” the Master Agreement and Exhibits	Dec. 2019
Program Operator recruited to implement Program services	Feb. 2020
Program begins enrolling water utilities	Mar. 2020
Program Operator begins enrolling Program Contractors	Apr. 2020
Program launches customer services	Jun. 2020

“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