BOARD OF DIRECTORS
AGENDA LETTER

Secretary of the Board of Directors
4699 Hollister Avenue,
Goleta, CA 93110
(805) 879-4621

Department Name:	Water Supply & Conservation
For Agenda Of:	December 9, 2014
Estimated Time	10 minutes
Continued Item:	No
If Yes, Date From:	N/A

TO: Board of Directors

FROM: Department: Water Supply & Conservation

Contact Info: Ryan Drake, Water Supply & Conservation Manager

SUBJECT: **Water Saving Incentive Program**

Legal Concurrence:
As to form: N/A

Recommended Action:
Adopt a resolution authorizing the implementation of the Water Saving Incentive Program.

Summary Text:
On September 9, 2014, the Goleta Water District (District) Board of Directors (Board) declared a Stage II Water Shortage Emergency. To assist in achieving the targeted 25% district-wide water use reduction under Stage II, the Board approved a broad drought outreach program, and the District has been developing individual programmatic outreach components, including various incentive programs.

District staff proposes a Water Saving Incentive Program (WSIP) that will offer rebates to commercial, agricultural, and large landscape (greater than one acre) customers to implement innovative water efficiency measures. Under the WSIP, the District will offer rebates to large water-using customers for improving water use efficiency specific to each customer site. The program will enable commercial, agricultural, and large landscape customers to achieve water efficiency through customized projects that conserve water and improve water supply reliability in the District service area. Following comments from the Board at its November 11, 2014 meeting, staff has revised the WSIP and associated materials.

The proposed program is modeled after the successful Metropolitan Water District (MWD) Water Saving Incentive Program (WSIP). MWD's program was modified to fit within local conditions and expectations of the District to ensure strong water savings accountability. Specifically, actual water savings resulting from the program must be verified and the District will retain the authority to audit participants to prevent abuse.

Under the proposed WSIP, rebates will be based on both estimated *and* actual water savings achieved. Project applicants will be eligible to receive approximately half of an initial incentive upfront based on estimated water savings. One year from the date of project installation, District staff will review customer water use to verify water savings prior to distribution of any additional remaining incentive. Since only half of the projected rebate is given based on an estimated water savings and half of the rebate is given after savings are actually realized, the water savings potential of and cost-effectiveness of the program is maximized.

Cost-Benefits and Potential Water Savings
As part of drought planning research efforts, staff analyzed vital statistics for each customer class and identified opportunities for water savings. Staff then identified various conservation programs and opportunities, and estimated which programs were likely to achieve substantial water savings. Based on the current level of program funding budgeted ($217,800) in the FY 2014-15 Budget, the WSIP is projected to result in a total estimated annual water savings of approximately **200 AFY**.

- For ***commercial, industrial, and institutional customers***, staff identified 991 accounts as of FY 13-14 with total demand of 2,605 acre-feet per year (AFY), or 18% of total District demand. Analysis showed there was an opportunity for approximately 50 AFY of water savings in this customer class that could be achieved in part through the WSIP.[1]
- For ***agricultural customers***, staff identified 166 accounts as of FY13-14, with a total demand of 4,202 AFY, or 30% of total District demand. Analysis showed a potential water savings of approximately 150 AFY in the agricultural customer class that could be achieved through the WSIP.

Program Incentive Structure and Rebate Rates
Based on estimates of potential water savings and demand based on various cost structures, the proposed rebate is calculated with a formula at a rate of $2.50/HCF of estimated water savings within one year from the date of application for commercial, industrial and large landscape customers. The rebate amount shall also be limited to up to 50% of total pre-qualified project costs, with a maximum rebate cap of $5,000 per customer. The amount of $2.50/HCF is approximately 50% of the current average urban retail commodity charge and equates to $1,089/AF[2] in estimated water savings value, which is significantly less than the cost to obtain an acre-foot of additional water supply at current market prices.

For agricultural customers, the proposed rebate will be calculated with a formula at a rate of $1.50/HCF of estimated water savings within one year from the date of application, due to the fact that agricultural customers currently pay a lower rate. The rationale behind the $1.50/HCF rate is that the District seeks agricultural customers to conserve because of the great opportunity for water savings as a portion of total water demand in the District, but since agricultural customers already pay a substantially lower rate than other customers, offering a rebate of half the average agricultural commodity charge is unlikely to result in maximum potential for water savings. The amount of $1.50/HCF translates to a cost of $653/AF to achieve the program's goal for agriculture.

An initial 50% of the total estimated rebate will be issued in a first installment upon approval of an application packet submitted by the applicant, after installation of pre-qualified water efficiency upgrades. The final rebate will be issued in a second installment, based upon verified water savings

[1] Additional savings opportunities included improved landscape irrigation practices, landscape replacement, inefficient fixture and commercial appliance substitutions.
[2] 1 AF equates to approximately 435 HCF.

achieved within one year after upgrades are implemented. If verified water savings are not achieved within one year, then a second installment will not be issued.[3] Analysis of the program and specific examples are included as Attachment 1.

A $5,000 cap for total funding to each customer is proposed, as opposed to a per meter basis, with the intent of distributing the funding more equitably, since some commercial and agricultural sites have multiple meters that serve the property. The cap will enable approximately 50 customers to take part in the program, since some rebates will be lower than the maximum allowable. The customer incurs all costs associated with preparing the application, installing the improvements, contracting for water management services, and conducting measurement and verification activities as required. In return, the customer will receive a monetary reimbursement for making investments that improve water efficiency, reduce water consumption, and increase the regional water supply reliability of the District's service area. Receipt of incentive funds requires careful adherence to the program's rules, terms, and conditions.

Program Accountability Review

In order to ensure that the total program funding amount does not exceed $217,800, rebates will be distributed as follows. Since a maximum of $5,000 may be rebated to each participating customer, once 43 customers have been pre-qualified to participate, the program will be placed on hold until water savings are verified one year after installation. At that point, program results, water savings realized, and the level of funding allocated will be reconciled.

If each of the 43 participants receives the maximum rebate allowable, the total program cost will be $215,000. After final funding for the 43 customers has been distributed, each additional rebate will only be pre-qualified if a full $5,000 remains unallocated for each rebate. For example, if $14,000 remains in project funding after 43 customers have been issued their full rebate, then two additional rebates will be pre-qualified at up to $5,000 each. If only $3,000 remains in project funding after 43 customers have been issued their full rebate, then no additional rebates will be pre-qualified and the project will be deemed complete. If program participation is higher than anticipated and additional water savings can be potentially achieved, program augmentations will be considered and, if warranted, presented to the Board for consideration and approval.

Rebate Application Process

The application process is proposed to begin with the submittal of an application packet that includes a project description, stamped and signed engineering design (if applicable), pre-project "before" photos, estimated project costs, and the projected water savings of the project over time. Water savings estimates must be based on third party studies, university research, or sound calculations from a licensed engineer or other certified professional and are subject to District approval. District staff may assist applicants in determining savings estimates. Supporting materials and/or a signed engineering estimate will minimize the potential for project abuse. A site visit may be conducted by the District for further information, if necessary. The District will verify submittals and then determine the total amount of eligible rebate in the amount of $2.50/HCF (or $1.50/HCF for agricultural customers) multiplied by the projected savings in HCF within one year from the date of application. The rebate amount shall also be

[3] The MWD program provides a smaller incentive payment at the end of each year after upgrades are implemented, and after each year of the project life, up to a maximum of 10 years after project is initiated. In personal communication, MWD staff indicated that this process can be cumbersome when extended out ten years. In order to simplify the process for District staff and customers, the Goleta Water District Water Saving Incentive Program is proposed to provide the incentive in two installments as described above.

limited to up to 50% of total pre-qualified project costs, with a maximum rebate cap of $5,000 per customer.

Next, District staff will send the applicant a list of the applicant's pre-qualified water efficiency upgrades and water savings estimate, with a copy of the application. Upon installation of the project, the applicant will submit original receipts and "after" pictures of the installed project (original receipts may be returned to the customer if requested), and the District will issue 50% of the estimated rebate. Staff will review the *actual* water savings achieved in the 12 monthly billing cycles after the installation date and issue the final rebate upon satisfactory determination of water savings. This structure is designed to ensure demand reduction while discouraging program abuse. A flow chart of the application process is included as Attachment 2.

The District will reserve the right to require water use reporting from and/or audit program participants to verify whether continued savings are achieved. Staff will develop unique customer files for project documentation, photos, and review materials, and all records will be retained by the District for future analysis.

Project Examples
The proposed WSIP will provide financial incentives for customized water efficiency projects including, but not limited to:

- Custom design of on-site water efficiency upgrade projects such as changing an existing industrial process water system to capture, treat and reuse process wastewater;
- Improvements to existing irrigation systems and landscaping to improve water use efficiency for agricultural operations and large landscapes on a minimum of one acre;
- Water management services that may include new equipment, materials and horticultural practices to improve water use efficiency such as conversion or upgrades to drip irrigation equipment and conversion to lower water-using permanent crops;
- Installing new, water-efficient equipment in commercial kitchens, laundries, and restrooms;
- Replacement of older, less water-efficient equipment with new high-efficiency commercial and industrial equipment;
- Changing existing overhead spray sprinklers to a drip system or installing a smart irrigation controller;
- Installing valves and pumps to existing agricultural irrigation to improve efficiency;
- Improving cooling tower water management or installing a system to capture and reuse condensation; and
- Contracting with a qualified water manager, such as the Cachuma Resources Conservation District Mobile Lab, to improve irrigation efficiency.

Outreach
A program description and information sheet will be sent via mail to targeted agricultural, commercial, and large landscape customers. In addition, a WSIP website with details and a link to the application will be available. Staff will also write a newsletter article describing the program and make phone calls to specific customers with large potential water use savings.

A draft application is included (Attachment 4). The draft website (Attachment 5) and the information sheet (Attachment 6) were reviewed by the Public Information Committee at its October 21, 2014 meeting.

Background:
The District was an early implementer of water conservation programs, initially as a response to the drought in the late 1980s, and has continued water conservation programs since that time. The proposed WSIP will increase available funding for the commercial, landscape and agricultural sectors.
The Board of Directors reviewed the proposed program on November 11, 2014. The Water Management and Long Range Planning Committee reviewed the proposed program on October 28, 2014 and recommended approval of the program. The Public Information Committee reviewed the outreach materials for the program at its October 21, 2014 meeting and recommended approval. Changes have been made to PI materials reflecting edits by the Committee and Board, as well as proposed changes to program requirements.

Fiscal Analysis:
The amount of $217,800 was included for the Water Saving Incentive Program as part of the FY 14/15 approved budget. Rebates will be issued on a first come, first served basis with up to $5,000 per qualifying potable commercial, agricultural, or landscape irrigation water customer. The program is capped at $217,800.

Attachments:
Attachment 1: Water Saving Incentive Program Analysis and Examples
Attachment 2: Water Saving Incentive Program Application Process Flow Chart
Attachment 3: Resolution 2014-___ Authorizing the Water Saving Incentive Program and Setting Program Limitations
Attachment 4: Water Saving Incentive Program Application
Attachment 5: Water Saving Incentive Program Website
Attachment 6: Water Saving Incentive Program Information Sheet

Authored by:
Ryan Drake, Ryan Drake, Water Supply & Conservation Manager
Misty Williams, Senior Water Resources Analyst
KK Holland, Principal Policy Analyst
Brooke Welch, Senior Water Resources Analyst

Attachment 1

Water Saving Incentive Program

Analysis and Examples

Water Saving Incentive Program Analysis

The estimated water savings and cost effectiveness of the Water Saving Incentive Program was calculated using the Alliance for Water Efficiency Conservation Tracking Tool Version 2.0, a comprehensive Excel-based model. The following examples illustrate how the program would be applied.

Example 1: Irrigation Upgrades to Avocado Orchard ($1.50/HCF saved) [i]

An urban agricultural avocado grower spends $9,288 on pre-qualified irrigation equipment, including micro-irrigation and soil moisture sensors to improve irrigation efficiency. The maximum rebate amount may not exceed 50% of the eligible project cost with a cap of $5,000. Half of the eligible project cost is $4,644, which is the maximum for this rebate. The water saving estimate by upgrading the irrigation equipment is 8,232 HCF per year. The corresponding estimated rebate would be $12,348. However, since the rebate cannot exceed half the maximum cost, the maximum for this rebate is $4,644. Therefore, after installation, the customer receives the first rebate installment of one half of the estimated maximum rebate, or $2,322. One year after installation it was found that the water savings was actually 9,000 HCF, slightly higher than anticipated. The adjusted total rebate amount would be $13,500. However, the maximum rebate remains $4,644. Therefore, the second rebate installment of $2,322 is then issued. The payback period for implementing the irrigation upgrades with the rebate is less than one year.[ii]

Example 2: Retrofit School Urinals ($2.50/HCF saved)

A local school has 2000 students, half of which are male. Each male student flushes a urinal about 2 times per day on average. There are 180 student days per academic year and about 95% of the student body attends school each day. There are twenty 1.5 gpf urinals retrofitted to 0.5 gpf urinals, saving 1 gallon per flush. The cost of the project is $6,000. The annual water savings estimate is 342,000 gallons or 457 HCF. Therefore, the estimated total rebate amount is $1,142 (which does not exceed 50% of the eligible project cost of $3,000, nor the maximum rebate per site of $5,000). After installation, the customer receives the first rebate installment of one half of the estimated total rebate, or $571. One year after installation it was found that the water savings was actually 500 HCF, slightly higher than anticipated. Therefore, the adjusted total rebate amount is $1,250. The second rebate installment of $679 (the difference between the adjusted total rebate amount and the first installment) is then issued. The payback period for installing the urinals with the rebate would be about 2 years.[iii]

The typical life span of a low-flow toilet is typically 15-20 years, based on EPA and Niagara Conservation Corp. estimates. Factoring in the water savings component in subsequent years and considering the life span of the toilet, with water savings of 500 HCF per year under this example, the local school will save an additional $1,250 per year compared to the school's water bill without the upgrade, with long-term savings of between $15,000 and $21,250, starting in year three after the payback period.

[i] Information is from an actual avocado grower site audit and provided by Ventura Resource Conservation District. Information was not available from the Cachuma Resource Conservation District at this time.

[ii] The payback period in Example 1 is estimated by calculating the cumulative cash flow for the project taking into account the total project cost of $13,925 (which includes some non-qualifying equipment) and water savings dollar equivalent each year ($12,780) together with the rebate received at the end of year one ($4,644). To simplify, the calculation applies the total rebate at the end of year one and does not take into account the time value of money.

Payback Period, Example 1.

Year	Cash Flow for Project	Cumulative Cash Flow for Project
0	($13,925)	($13,925)
1	$12,780+$4,644=$17,424	$3,499

[iii] The payback period in Example 2 is estimated by calculating the cumulative cash flow for the project taking into account the total project cost of $6,000 and water savings dollar equivalent each year ($2,635) together with the rebate received at the end of year one ($1,250). To simplify, the calculation applies the total rebate at the end of year one and does not take into account the time value of money.

Payback Period, Example 2

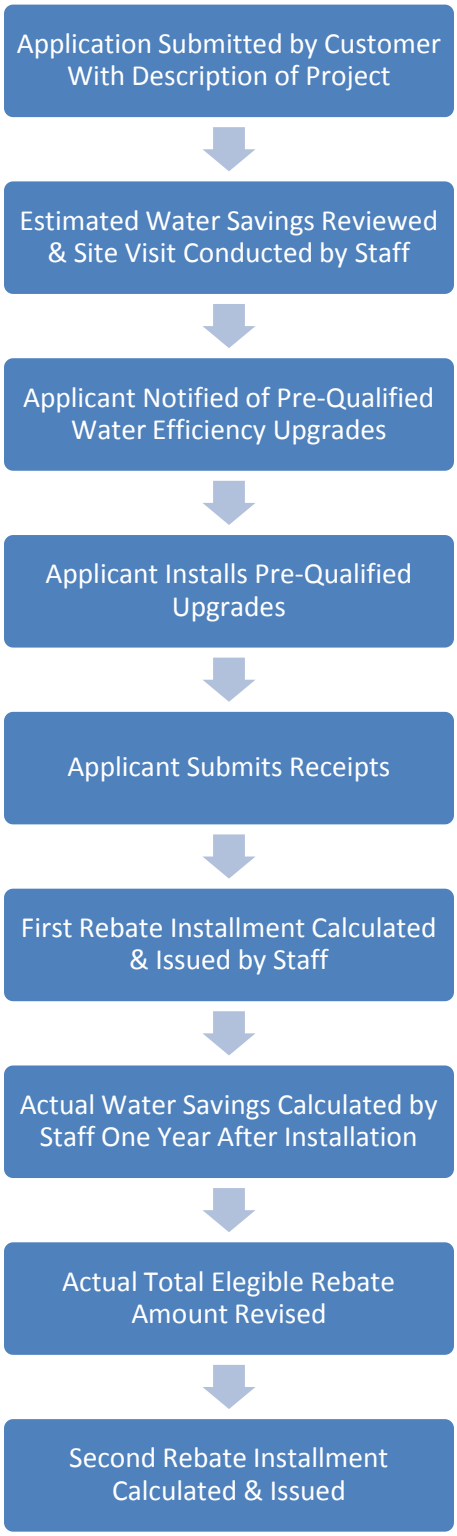
Year	Cash Flow for Project	Cumulative Cash Flow for Project
0	($6,000)	($6,000)
1	$2,635+$1,250=$3,885	($2,115)
2	$2,635	$520

Attachment 2

Water Saving Incentive Program

Application Process Flow Chart

Water Saving Incentive Program Application Process Flow Chart



Attachment 3

Resolution 2014-___ Authorizing the Water Saving Incentive Program and Setting Program Limitations

RESOLUTION NO. 2014-
Introduced by the Water Management
and Long Range Planning Committee

A RESOLUTION OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS AUTHORIZING THE WATER SAVING INCENTIVE PROGRAM AND SETTING PROGRAM LIMITATIONS

WHEREAS, the Goleta Water District ("District") is a County water district organized and existing under the laws of the State of California; and

WHEREAS, on September 9, 2014, the District Board of Directors declared a Stage II Water Shortage Emergency and increased water conservation measures as a prudent means to extend available water supplies;

WHEREAS, the Water Saving Incentive Program is a pilot rebate program estimated to save up to 200 AF of potable water per year and is based on verified water savings achieved through the program;

WHEREAS, the Board of Directors has reviewed the Water Saving Incentive Program on November 11, 2014 and December 9, 2014;

NOW THEREFORE BE IT FOUND, DETERMINTED AND RESOLVED by the Board of Directors of the Goleta Water District as follows:

1. The above recitals are true and correct.

2. The Board of Directors hereby authorizes the Water Saving Incentive Program as a pilot program to be offered to commercial, landscape irrigation, and agricultural customers.

3. The Goleta Water District shall not allocate more than $217,800 in Water Saving Incentive Program rebates.

4. Upon allocation of the full amount of Water Saving Incentive Program rebates amongst qualifying applicants, the Board shall review program results and water savings achieved based on the pilot program projects undertaken throughout the District.

PASSED AND ADOPTED by the Board of Directors of the Goleta Water District this 9th day of December 2014 by the following roll call vote:

AYE:
NAY
ABSENT
ABSTAIN

ATTEST:

_____	_____
JOHN MCINNES	WILLIAM C. ROSEN, PRESIDENT
DISTRICT SECRETARY	BOARD OF DIRECTORS

DRAFT

Attachment 4

Water Saving Incentive Program

Application

WATER SAVING INCENTIVE PROGRAM

Name: _____ Email: _____
(As you would like it to appear on the check; please print clearly) *(For rebate purposes only)*

Address: _____ Phone # (_____) _____- _____
(Mailing Address)

City: _____ State _____ Zip _____
(Mailing Address)

Water Account Number: _____ Service Address: _____
(As printed on water bill) *(As printed on water bill)*

How Did You Hear About the Rebate Program? _____

The Goleta Water District (GWD) is offering rebates for water efficiency upgrades to existing equipment, processes, or plants to increase water efficiency. PROJECTS MUST BE PRE-QUALIFIED IN ADVANCE. THE PROGRAM IS NOT RETROACTIVE. UPGRADES THAT WILL INCREASE WATER CONSUMPTION ARE NOT ELIGIBLE. Original sales receipts and/or contractor invoices are required for all rebates. This is a performance-based rebate program. The project must result in a net reduction in total water consumption.

How Much Is The Rebate?

The program covers a portion of the cost of pre-qualified water efficiency upgrades and plant materials, excluding labor. Rebates are available in the amount of $2.50/HCF for residential and commercial customers and $1.50/HCF for agricultural customers, multiplied by the projected annual savings in HCF per year. The rebate amount is also limited to up to 50% of total pre-qualified project costs, with a maximum rebate cap of $5,000 per customer. Eligible project costs may include:

- Design: up to 50% of the cost of design services that result in project implementation.
- Equipment: up to 50% of the cost of pre-qualified commercial, industrial, or institutional, or landscape equipment that will result in water efficiency improvement.
- Plant material: up to 50% of the cost of water wise ornamental plants or permanent agricultural crops and mulch.
- Process upgrades: up to 50% of the cost of upgrades to water-using processes that will result in a savings of water.

Any combination of items above may qualify for a maximum rebate amount of $5,000 per commercial, agricultural, or landscape meter.

How Do I Participate?

Step 1: Submit an application with project description, pre-project "before" photos, estimated cost of project (with backup materials), and/or stamped and signed engineering design, and estimated water savings of the project over time. Water savings estimates must be based on third party studies, university research, or sound calculations from a licensed engineer or other licensed professional and subject to District approval. GWD may assist with water savings estimates.

Step 2: GWD staff will contact you to schedule a pre-qualification site visit with a Water Conservation Program representative. If your project qualifies, a copy of the application with the "District Pre-Qualified Equipment" section completed by GWD staff will be returned to you.

Step 3: Complete water efficiency upgrades within 120 days of the date of the pre-qualification site visit, including items indicated as pre-qualified.

Step 4: An initial 50% of the total rebate costs will be issued upon approval of an application packet submitted by the applicant after installation of pre-qualified water efficiency upgrades.

Step 5: Upon completion of project, submit original receipts, indicate project completion date, and call for a final post-installation inspection appointment within 120 days. Original receipts are required for all rebates. Ask your contractor for a separate invoice for materials with labor billed separately. Be ready to show your finished project.

Step 6: The final rebate will be based upon verifiable water savings achieved one year (12 monthly billing cycles) after the project completion date.

Step 7: Once submittals are verified, rebate checks will be issued approximately 30-60 days after verification of water savings achieved.

WATER SAVING INCENTIVE PROGRAM TERMS & CONDITIONS

1. The Applicant applying for the rebate(s) must be a Goleta Water District customer.
2. Only District Pre-Qualified Equipment as determined by a Water Conservation staff member, upon verification of anticipated water savings, shall qualify for a rebate after installed.
3. All Pre-Qualified Equipment as detailed on this application is valid for 120 days from the Pre-Qualification Inspection Date.
4. The purchase and installation of all equipment denoted by Water Conservation staff under the heading of "District Pre-qualified Equipment" must be installed within 120 days of the date of the Pre-Qualification Site Visit.
5. The reverse side of this form must be completely filled out.
6. Applicant must submit original, dated sales receipts for materials to qualify.
7. Rebates shall be on a one-time basis per customer per site.
8. A Post-Installation Inspection of the property to verify model, type and installation within 120 days of the date of the Pre-Qualification Site Visit is required as are "Before" and "After" photographs.
9. It is the responsibility of the Applicant to pay any taxes due as a result of receiving rebate funding.
10. Note: Rebate amounts are subject to change without prior notice and based upon availability of funds.

PROJECT DESCRIPTION

Tell us the details of your proposed project below, including estimated water savings. Attach additional sheets, "before" photos, and any other supporting materials, such as signed engineering design, if needed. Water savings estimates must be based on third party studies, university research, or sound calculations from a licensed professional.

PRE-QUALIFICATION: The items below are pre-qualified for a potential rebate once denoted by a District representative under heading "District Pre-Qualified Equipment". After installation, contact GWD Water Conservation Staff at (805) 879-4643 for a post-inspection within 120 days of the "Pre-Qualification Date" date.

DISTRICT PRE-QUALIFIED EQUIPMENT

Official Use Only – This section to be completed by Conservation staff. **Your Pre-Qualification Date is: _____.**

By signing below, you indicate that you agree to the "**Terms and Conditions**" of the Water Saving Incentive Program as detailed on this form. All applicable rebates are only valid for a period of 120 days following the **Pre-Qualification Date**. It is the **applicant's responsibility to arrange a Post-Installation Inspection** within the 120 day period following the **Pre-Qualification Date.** Failure to comply with these terms and conditions are automatic grounds for disqualification from the program. Call (805) 879-4643 to schedule a Post Installation Inspection.

The applicant, on behalf of itself and any agent or employee, authorizes the Goleta Water District, or anyone authorized by the Goleta Water District, to use and reproduce in any format including, but not limited to, print or electronic, any visual representation, photograph or video footage submitted by me or taken of me and/or my home and/or rebate project for any District conservation or outreach purpose, without compensation or limitation. My rights to any and all video and images, together with the prints, are owned by the Goleta Water District.

Signature of Applicant: _____ Date:_____

OFFICIAL USE ONLY: 141204

Date Application Received:				Estimated Rebate:			
Date of Project Completion:		Initials:		Total Rebated:		Initials:	
Date of Post-Inspection:		Initials:		Rejected Date:		Reason:	

Attachment 5

Water Saving Incentive Program

Website

Water Saving Incentive Program for Large Customers

The **Goleta Water District Water Saving Incentive Program (WSIP)** is a collaborative effort between Goleta Water District (GWD) and large customers to improve water use efficiency by providing rebates for installation of specific water saving materials to each customer site. The program will enable commercial and agricultural customers to achieve water efficiency through individualized projects. By conserving water, these projects encourage efficient use of water resources and improve water supply reliability. The program is open to all commercial, industrial, institutional, agricultural and large landscape customers with qualifying projects within the Goleta Water District service area.

How It Works

Steps:

1. Submit an **application** with project description, pre-project "before" photos, estimated cost of project (with backup materials), and/or stamped and signed engineering design, and estimated water savings of the project over time.
2. GWD will schedule a pre-authorization site visit. If your project qualifies, a copy of your application with the District Pre-Authorized Equipment section completed by GWD staff will be returned to you.
3. Complete pre-approved upgrades within 120 days of the date of the pre-authorization site visit.
4. An initial 50% of the total rebate costs will be issued upon approval of an application packet after installation of pre-approved water efficiency upgrades.
5. Upon completion of project, submit original receipts and call for a final post-installation inspection appointment within 120 days. Original receipts are required for all rebates. Ask your contractor for a separate invoice for materials with labor billed separately. Be ready to show your finished project.
6. The final rebate will be based upon verifiable water savings achieved as measured one year after installation.
7. Rebate checks will be issued approximately 30-60 days after verification of water savings achieved.

WSIP provides financial incentives for customized water efficiency projects including:

- Custom design of on-site water efficient projects.
- Replacement of older, less water-efficient equipment with new high-efficiency commercial and industrial equipment.
- Comprehensive changes to industrial processes that reduce water consumption per unit of output and improve efficiency.
- Improvements to existing irrigation systems and landscaping to improve water use efficiency for agricultural operations and large landscapes on a minimum of one acre.

- Water management services that may include new equipment, materials and horticultural practices to improve water use efficiency, such as conversion or upgrades to drip irrigation equipment and conversion to lower water-using permanent crops.

Project Examples:

- Changing an industrial process water system to capture, treat and reuse process wastewater.
- Installing new, water-efficient equipment in commercial kitchens, laundries, and restrooms.
- Replacing irrigated turf with a water-wise landscape.
- Changing overhead spray sprinklers to a drip system or installing a smart irrigation controller.
- Installing valves and pumps to improve agricultural irrigation efficiency.
- Improving cooling tower water management.
- Contracting with a qualified water manager, such as the Cachuma Resources Conservation District Mobile Lab, to improve irrigation efficiency.

Incentives:

- The incentive is based on a formula at a rate of $2.50/HCF for commercial customers and $1.50/HCF for agriculture customers using both estimated and water savings and shall not exceed 50% of total pre-qualified project costs as explained below.
- Half of the payment is made directly after installation of the new equipment or implementation of pre-approved new practices at a rate of $2.50/HCF for commercial customers and $1.50/HCF for agriculture customers of water savings estimated.
- Water savings estimates must be based on third party studies, university research, or calculations from a licensed engineer or other licensed professional subject to District approval.
- The District requires a one year test period during which the applicant will demonstrate actual water savings through a review of customer water use and/or billing statements. The final half of the rebate will be based upon the verifiable water savings achieved.
- Incentives are capped at 50% of eligible project costs and $5,000 per qualified District water meter.
- Eligible costs may include audits, design, engineering, construction, equipment and materials (including plant material), hardware, software, freight, shipping, and contract water management services and are limited to water efficiency upgrades.

Example 1 **Irrigation Upgrades to Avocado Orchard ($1.50/HCF saved):** An urban agricultural avocado grower spends $9,288 on pre-qualified irrigation equipment, including micro-irrigation and soil moisture sensors to improve irrigation efficiency. The maximum rebate amount may not exceed 50% of the eligible project cost or $5,000, whichever is lower. Half of the eligible project cost is $4,644, which is the maximum for this rebate. The water saving estimate by upgrading the irrigation is 8,232 HCF per year. The corresponding estimated rebate would be $12,348. However, the maximum for this rebate is $4,644. Therefore, after installation, the customer receives the first rebate installment of one half of the estimated maximum rebate, or $2,322. One year after installation it was found that the water savings was actually 9,000 HCF, slightly higher than anticipated. The adjusted total rebate amount would be $13,500. However, the maximum rebate remains $4,644. Therefore, the second rebate installment of $2,322 is then issued.

Example 2 **Retrofit School Urinals ($2.50/HCF saved):** A local school has 2000 students, half of which are male. Each male student flushes a urinal approximately 2 times per day on average. There are 180 student days per academic year and about 95% of the student body attends school each day. There are twenty 1.5 gpf urinals retrofitted to 0.5 gpf urinals, saving 1 gallon per flush. The cost of the project is $6,000. The annual water savings estimate is 342,000 gallons or 457 HCF. Therefore, the estimated total rebate amount is $1,142 (which does not exceed 50% of the eligible project cost, nor the maximum rebate per site of $5,000). After installation, the customer receives the first rebate installment of one half of the estimated total rebate, or $571. One year after installation it was found that the water savings was actually 500 HCF, slightly higher than anticipated. Therefore, the adjusted total rebate amount is $1,250. The second rebate installment of $679 (the difference between the adjusted total rebate amount and the first installment) is then issued.

Click **here** to download an application PDF for the **Water Saving Incentive Program (WSIP).**

Click **here** to download an information sheet PDF for the **Water Saving Incentive Program (WSIP).**

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Attachment 6

Water Saving Incentive Program

Information Sheet

Water Saving Incentive Program for Large Customers

The **Goleta Water District Water Saving Incentive Program (WSIP)** is a collaborative effort between Goleta Water District (GWD) and large customers to improve water use efficiency by providing rebates for installation of specific water saving materials to each customer site. The program will enable commercial and agricultural customers to achieve water efficiency through individualized projects. By conserving water, these projects encourage efficient use of water resources and improve water supply reliability. The program is open to all commercial, industrial, institutional, agricultural and large landscape customers with qualifying projects within the Goleta Water District service area.

How It Works

Steps:

1. Submit an application with project description, pre-project "before" photos, estimated cost of project (with backup materials), and/or stamped and signed engineering design, and estimated water savings of the project over time.
2. GWD will schedule a pre-authorization site visit. If your project qualifies, a copy of your application with the District Pre-Authorized Equipment section completed by GWD staff will be returned to you.
3. Complete pre-approved upgrades within 120 days of the date of the pre-authorization site visit.
4. An initial 50% of the total rebate costs will be issued upon approval of an application packet after installation of pre-approved water efficiency upgrades.
5. Upon completion of project, submit original receipts and call for a final post-installation inspection appointment within 120 days. Original receipts are required for all rebates. Ask your contractor for a separate invoice for materials with labor billed separately. Be ready to show your finished project.
6. The final rebate will be based upon verifiable water savings achieved.
7. Rebate checks will be issued approximately 30-60 days after verification of water savings achieved.

WSIP provides financial incentives for customized water efficiency projects including:

- Custom design of on-site water efficient projects.
- Replacement of older, less water-efficient equipment with new high-efficiency commercial and industrial equipment.
- Comprehensive changes to industrial processes that reduce water consumption per unit of output and improve efficiency.
- Improvements to existing irrigation systems and landscaping to improve water use efficiency for agricultural operations and large landscapes on a minimum of one acre.
- Water management services that may include new equipment, materials and horticultural practices to improve water use efficiency, such as conversion or upgrades to drip irrigation equipment and conversion to lower water-using permanent crops.

For more information on the **Water Saving Incentive Program**, please contact the Goleta Water District at (805)964-6761, or visit **www.GoletaWater.com**

GOLETA WATER DISTRICT

Let's Save Together
waterwise
Goleta Water District

Project Examples

- **Changing an industrial process to capture, treat and reuse processed wastewater.**
- **Installing new, water-efficient equipment in commercial kitchens, laundries, and restrooms.**
- **Replacing irrigated turf with a water-wise landscape.**
- **Changing overhead spray sprinklers to a drip system or installing a smart irrigation controller.**
- **Installing valves and pumps to improve agricultural irrigation efficiency.**
- **Improving cooling tower water management.**
- **Contracting with a qualified water manager, such as the Cachuma Resources Conservation District Mobile Lab, to improve irrigation efficiency.**

Incentives

- The incentive is based on a formula at a rate of $2.50/HCF for commercial customers and $1.50/HCF for agriculture customers using both estimated and water savings and shall not exceed 50% of total pre-qualified project costs as explained below.
- Half of the payment is made directly after installation of the new equipment or implementation of pre-approved new practices at a rate of $2.50/HCF for commercial customers and $1.50/HCF for agriculture customers of water savings estimated.
- Water savings estimates must be based on third party studies, university research, or calculations from a licensed engineer or other licensed professional subject to District approval.
- The District requires a one year test period during which the applicant will demonstrate actual water savings through a review of customer water use and/or billing statements. The final half of the rebate will be based upon the verifiable water savings achieved.
- Incentives are capped at 50% of eligible project costs and $5,000 per qualified District water meter.
- Eligible costs may include audits, design, engineering, construction, equipment and materials (including plant material), hardware, software, freight, shipping, and contract water management services and are limited to water efficiency upgrades.

- ***Example 1* Irrigation Upgrades to Avocado Orchard ($1.50/HCF saved):** An urban agricultural avocado grower spends $9,288 on pre-qualified irrigation equipment, including micro-irrigation and soil moisture sensors to improve irrigation efficiency. The maximum rebate amount may not exceed 50% of the eligible project cost or $5,000, whichever is lower. Half of the eligible project cost is $4,644, which is the maximum for this rebate. The water saving estimate by upgrading the irrigation is 8,232 HCF per year. The corresponding estimated rebate would be $12,348. However, the maximum for this rebate is $4,644. Therefore, after installation, the customer receives the first rebate installment of one half of the estimated maximum rebate, or $2,322. One year after installation it was found that the water savings was actually 9,000 HCF, slightly higher than anticipated. The adjusted total rebate amount would be $13,500. However, the maximum rebate remains $4,644. Therefore, the second rebate installment of $2,322 is then issued.

- ***Example 2* Retrofit School Urinals ($2.50/HCF saved):** A local school has 2000 students, half of which are male. Each male student flushes a urinal approximately 2 times per day on average. There are 180 student days per academic year and about 95% of the student body attends school each day. There are twenty 1.5 gpf urinals retrofitted to 0.5 gpf urinals, saving 1 gallon per flush. The cost of the project is $6,000. The annual water savings estimate is 342,000 gallons or 457 HCF. Therefore, the estimated total rebate amount is $1,142 (which does not exceed 50% of the eligible project cost, nor the maximum rebate per site of $5,000). After installation, the customer receives the first rebate installment of one half of the estimated total rebate, or $571. One year after installation it was found that the water savings was actually 500 HCF, slightly higher than anticipated. Therefore, the adjusted total rebate amount is $1,250. The second rebate installment of $679 (the difference between the adjusted total rebate amount and the first installment) is then issued.