

# Status Report on the Conservation Credits Program

Water Planning and Stewardship Committee  
July 12, 2010

# Overview

- Backlog Payments identified in Audit Report
- Status of Fiscal Year 09/10 Programs
- Summary for Fiscal Year 09/10
- Improvements & Lessons Learned
- Fiscal Year 2010/11

# Backlog expenditures

<b>Program</b>	<b>Audit Estimate</b>	<b>Projected Expenditure</b>	<b>Projected Difference</b>
Region-Wide Programs	\$ 8.4 M	\$ 5.9 M	\$ 2.5 M
Administrative Fees	\$ 1.3 M	\$ 0.9 M	\$ 0.4 M
Member Agency	\$ 3.4 M	\$ 2.2 M	\$ 1.2 M
Recycled Water Retrofits	\$ 1.1 M	\$ 0.8 M	\$ 0.3 M
<b>Total</b>	<b>\$ 14.2 M</b>	<b>\$ 9.8 M</b>	<b>\$ 4.4 M</b>

# Fiscal Year 09/10 programs

<b>Program</b>	<b>Approved Expenditure</b>	<b>Projected Expenditure</b>	<b>Projected Difference</b>
Region-Wide Residential	\$ 6.0 M	\$ 1.7 M	\$ 4.3 M
Region-Wide Commercial	\$ 4.6 M	\$ 2.7 M	\$ 1.9 M
Water Savings Performance	\$ 0.5 M	\$ 0.5 M	\$ 0.0 M
Enhanced Conservation	\$ 0.5 M	\$1.1 M	(\$ 0.6 M)
Member Agency	\$ 5.5 M	\$ 2.9 M	\$ 2.6 M
Agricultural Conservation	\$ 2.0 M	0	\$ 2.0 M
<b>Total</b>	<b>\$ 19.1 M</b>	<b>\$ 8.9 M</b>	<b>\$ 10.2 M</b>

# Summary

<b>Program</b>	<b>Approved Expenditures</b>	<b>Projected Cost</b>	<b>Projected Difference</b>
Backlog Totals	\$ 14.2 M	\$ 9.8 M	\$ 4.4 M
Carryover from FY08/09	\$ 3.8 M	\$ 4.3 M	(\$ 0.5 M)
FY 09/10 Programs	\$ 19.1 M	\$ 8.9 M	\$10.2 M
<b>Total</b>	<b>\$ 37.1 M</b>	<b>\$ 23.0 M</b>	<b>\$ 14.1 M</b>

## Projected Water Savings

- Annual Savings = 11,700 acre-ft per year
- Lifetime Savings = 152,100 acre-ft

# Addressed Audit Issues

- Member agency contract language
- Service provider reporting
- Financial reconciliation on weekly basis
- Operational controls to prevent over-runs
- Program management of separate budgets
- Board letter & executive communications

# Lessons Learned

- Activity is difficult to predict
  - Slow housing market & appliance sector
  - State grant funding on hold
- Start early
  - Programs launched June 1<sup>st</sup> vs. Sept 21<sup>st</sup>
  - Invoice early to ensure payments within FY
- Be flexible & evolve
  - Reallocate funds from programs with low activity
  - Establish waiting list for commercial program
  - Adjust programs (e.g., MA custom projects)

# Fiscal Year 2010/11

- Launched programs June 1<sup>st</sup>
- Executed MA agreements & vendor contracts
- Expanded weekly report for Member Agencies
- New monthly Board report





*Extra Slides*

# Carryover from FY 08/09

- Board action in June 2009
  - Requested review by Audit Department
  - Hold payments until Audit report complete
  - Had expended \$36.2 M of the \$40 M budget
- Payments issued after Board action in July 2009
- Shifted costs from FY 08/09 to FY 09/10
- Carryover cost of \$4.3 million

# Fiscal Year 09/10 programs

<b>Program</b>	<b>Approved Expenditure</b>	<b>Actual Expenditure</b>	<b>Projected Difference</b>
Region-Wide Residential	\$ 6.0 M	\$ 1.7 M	\$ 4.3 M
Region-Wide Commercial	\$ 4.6 M	\$ 2.7 M	\$ 1.9 M
Water Savings Performance	\$ 0.5 M	\$ 0.5 M	\$ 0.0 M
Enhanced Conservation	\$ 0.5 M	\$1.1 M	(\$ 0.6 M)
Member Agency	\$ 5.5 M	\$ 2.9 M	\$ 2.6 M
Agricultural Conservation	\$ 2.0 M	0	\$ 2.0 M
<b>Total</b>	<b>\$ 19.1 M</b>	<b>\$ 8.9 M</b>	<b>\$ 10.2 M</b>

## Projected Water Savings

- Annual Savings = 6,500 acre-ft per year
- Lifetime Savings = 84,500 acre-ft

# Demand Management





# Increased residential rebates

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## California Cash FOR Appliances<sup>SM</sup>

Rebates start April 22, 2010



Download  
Rebate Form 



### BUY

Buy an eligible appliance from your local appliance retailer during the rebate period.



### RECYCLE

You **MUST** recycle your old appliance with a certified recycler or a "platinum partner" to receive a rebate.



### SAVE

Fill out the rebate and obtain a signed recycling form (from the certified recycler or a "platinum partner") and mail them in to receive a rebate check.

# FY 09/10 Expenditures

As of December 31, 2009

(\$'s in millions)

	<b>YTD Actual</b>	<b>Projected</b>	<b>Budget</b>	<b>Variance Fav (Unfav)</b>	
State V				27.9	
Supply	<b>Projected</b>	<b>Budget</b>	<b>Variance</b>	7.4	
CRA Po	Conservation	\$ 8.9	\$ 19.1	\$ 10.2	2.8
	Back-log	9.8	--	( 9.8)	
Debt S	Carry-over	<u>4.3</u>	<u>--</u>	<u>( 4.3)</u>	30.2
Demar		\$ 23.0	\$ 19.1	\$ ( 3.9)	( 8.4)

	<b>Projected</b>	<b>Budget</b>	<b>Variance</b>		
LRP	\$ 40.7	\$ 40.7	\$ --	5.7	-
Conservation	<u>23.0</u>	<u>19.1</u>	<u>( 3.9)</u>	2.1	\$ 59.3
	\$ 73.5	\$ 59.8	\$ ( 3.9)		