

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ESTABLISHING INCENTIVES AND APPROVING ADMINISTRATIVE PROCEDURES FOR THE WATER WISE COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL INCENTIVE PROGRAM

WHEREAS, the amount of potable water supply of the City of Santa Barbara (City) is limited and, therefore, water conservation is a major concern of the City;

WHEREAS, the City's Long-Term Water Supply Plan Water Conservation Policy states that the City will operate the City's Water Conservation Program aimed at minimizing the use of potable water supplies, meeting the requirements of the California Urban Water Conservation Council Best Management Practices, and achieving compliance with 20 X 2020 per capita water use limitations;

WHEREAS, the City wishes to encourage Commercial, Industrial, and Institutional (CII) customers to implement the suggested water efficiency improvements and, therefore, reduce their potable water consumption; and

WHEREAS, the City has established an Incentive Program to assist CII customers to achieve the water efficiencies expected through the Program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The CII Incentive Program shall be implemented in a manner consistent with Exhibits A, B and C, attached hereto and incorporated hereby by this reference..

SECTION 2. The Public Works Director is hereby authorized to carry out the program as outlined herein and in Exhibits A, B and C, and to make future modifications as necessary to provide for efficient implementation.

SECTION 3. The City may, in its sole and absolute discretion, cancel the Incentive Program at any time.

**City of Santa Barbara
Water Wise CII Incentive Program Administrative Procedures**

- 1) Survey Offered
 - a) The survey will determine potential methods and/or equipment that can be utilized by CII customers at their businesses to reduce water consumption, which will be specific to the type of business being evaluated.
- 2) Customize report
 - a) A written report will be prepared and presented to the customer detailing specific water efficiency opportunities to make their onsite operations more efficient.
 - b) The report will consist of both an executive summary and a full detailed report.
- 3) Develop Incentives
 - a) Once the survey has been completed, the City, with assistance from Maddaus Water Management, will analyze the recommended project's cost benefit ratio and calculate possible incentives based on Exhibit B, the Incentive Calculation Process.
- 4) Present Report and Incentives to Customer
 - a) A presentation will summarize the findings of the survey report and discuss the next steps and financial incentives with the customer.
- 5) Customer to complete Exhibit C, CII Incentive Program Application Form
 - a) The customer will complete the CII Incentive Program Application Form and submit it to the City.
- 6) City to review the CII Incentive Program Application Form
 - a) If approved, the City will notify the customer to proceed with retrofits. The customer has six months to complete the work.
- 7) Process for Incentive Payment
 - a) The customer to notify the City of work completion. City staff to complete a final inspection to verify the installation of equipment and other work has been done in conformance with the approved Application. If approved, the City will process incentive payment and payment will be mailed to the customer.
- 8) Tracking Results

City staff will track water usage of participating CII customers after site upgrades to determine results of program.

Incentive Calculation Process

- 1) Incentive amounts are calculated for each proposed conservation measure based on:
 - a) Estimated water savings
 - b) Water saved: \$1.40 per hcf per year of water saved. (\$600 per acre foot avoided cost of water)
 - c) Rebate amount: This may incorporate an estimated project/measure life expectancy (how long will the equipment be saving water, based on equipment life as well as the amount of time the equipment has been installed in this location)
 - d) Cost: Incentives will not exceed half the installed cost of an approved measure.
- 2) City staff will calculate the rebate amount.
- 3) The maximum rebate amount is \$15,000 per site.
- 4) The Incentive will be calculated by using the following equation:
 - A = Water savings rate in gallons per unit of time
 - B = Amount of time equipment runs per day
 - C= Number of days per year the equipment runs
 - D = Number of gallons per hundred cubic feet (hcf) = 748
 - E = Number of years the equipment water savings is planned to last

$$\text{Annual hcf Savings} = \frac{(A) \times (B) \times (C)}{(D)}$$

City CII Incentive Rebate = Annual hcf Savings x \$1.40 per hcf/yr = Annual Incentive Credit

$$\text{Total Incentive Amount} = \text{Annual Incentive Credit} \times E$$

Sample Project:

CII customer's existing ice machine operates 274 days per year. Replacing this ice machine with a water efficient ice machine will save 20 gallons per 100 pounds of ice. The estimated project cost is \$6,000 to purchase a 1,000- 1,200 lb-per-day air-cooled machine.

Applying the Formula:

- A = Water savings rate = 20 gallons per 100lbs of ice savings
- B = Amount of time equipment runs per day = 1,000 lbs of ice per day
- C= Number of days per year the equipment runs = 274
- D = Number of gallons per hundred cubic feet (hcf) = 748
- E = Number of years the equipment water savings is planned to last: 8 years

$$\text{Annual hcf savings} = \frac{(20 \text{ gallons per } 100 \text{ lbs}/100) \times 1,000 \text{ lbs per day} \times 274 \text{ days}}{748}$$

$$= 73.26 \text{ HCF}$$

$$\begin{aligned} \$1.40 \times 73.26 &= \$102.57 \text{ annual rebate credit for CII Customer} \\ - \$102.57 \times 8 \text{ years} &= \$820.56 \end{aligned}$$

Total Incentive Amount = \$820.56

Examples of potential equipment:

- Commercial Laundry Retrofits
- Water Efficient Ice Machines
- Connectionless Food Steamers
- Dry Vacuum Pumps
- Medical Equipment Steam Sterilizers

In addition to the rebate value, CII customer will receive reduction in their operation costs including energy, water and sewer bills. City incentive and savings in operation costs combined will create a business case to help obtain management approval to replace inefficient equipment. These combined dollar savings will be presented in site survey report to CII customer.



Water Wise CII Incentive Program Incentive Application Form

Applicant Information

Business Name: _____

Business Contact: _____

Contact Person Title: _____

Contact Mailing Address: _____

City, State, Zip: _____

Phone Number: _____

Email Address: _____

Name of Facility: _____

Facility Address: _____

Water Service Account #(s) serving the site (include all meters):

Describe type of business or institution:

Project

Project number _____ of a total of _____

Attached Project Proposal

___ Yes

Brief Project Description

Estimated annual water savings: _____ GPD/GPY

Estimated project life: _____ years

Estimated total project cost: \$ _____

Expected completion date: _____

Terms and Conditions

By signing this application form I acknowledge that I understand that participation in the Water Wise CII Incentive Program is voluntary and certify that the information supplied on this application is true and correct. I understand that participation in this program is conditioned upon approval of this application by the City of Santa Barbara [City] and that the City makes specific incentive commitments only through an Incentive Application Form. I understand that the City reserves the right to reject this application based on program criteria and that, if the City approves this application, I will receive a letter of approval and a Participation Agreement prepared by the City. I understand that the customized commercial incentive must be for new and purchased equipment on or after the Program start date of May 8, 2013.

Applicant signature: _____

Print Applicant's Name: _____

Signer's Title: _____ Date: _____

For City of Santa Barbara Use Only

Notice of Approval- valid only if signed by City employee

Signature	Date
_____ Application approved	_____ Comments attached
Potential rebate amount \$ _____	
Installation deadline _____	Project life _____ years

