



CalConserve Water Use Efficiency Revolving Fund

Program Goals

Assembly Bill (AB) 2636 established CalConserve Water Use Efficiency Revolving Fund in 2014. The CalConserve Water Use Efficiency Revolving Fund is intended to be a sustainable funding source for water use efficiency projects. One of the purposes of this fund is to provide measurable reductions in urban per capita potable water use.

Subsequently, AB 92 (Statutes of 2015) authorized the transfer to the CalConserve Water Use Efficiency Revolving Fund the sum of \$10 million from Proposition 1 (Water Code Section 79746) to establish a loan program to local agencies for specific types of water conservation and water use efficiency projects and programs to achieve urban water use targets.

In accordance with AB 92, the purpose of the CalConserve Water Use Efficiency Revolving Fund 2015 Loans is to provide:

- \$5 million for a pilot project to provide loans to local agencies to provide water efficiency upgrades to eligible residents at no upfront costs.
- \$5 million for local agencies to provide low-interest loans to customers to finance the installation of onsite improvements to repair or replace leaking water pipes to conserve water.

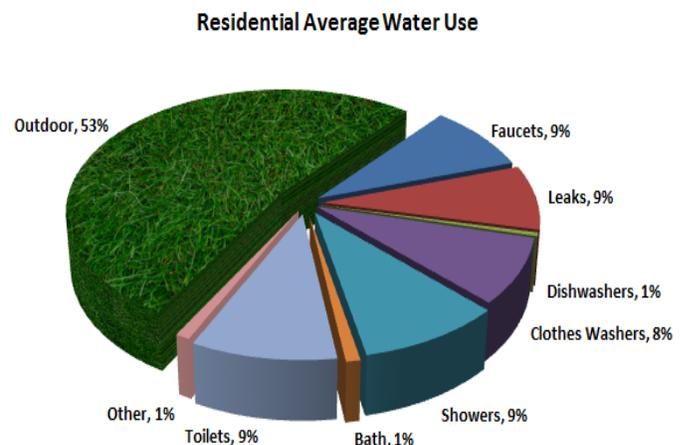
Under AB 2636 A local agency may implement water use efficiency loan programs through on-bill financing (Section 81046).

Background

There are many ways to save water. Indoor residential water use (both single and multifamily housing) accounts for about 31 percent of total urban water use in California.

Reducing residential water use is one of the ways we can reach our statewide water conservation goals. Residential indoor water is delivered through only a small number of fixtures — toilets, clothes washers, showers, faucets, and dishwashers.

Potential water savings attributable to leak detection and water efficiency upgrades will make a significant impact on reduction of potable water use. The Department anticipates that implementation of these programs will result in both water savings and environmental benefits.



Source: California Single Family Water Use Efficiency Study, June 2011

On-bill Financing

As defined in AB 2636, “on-bill financing” means a utility-based method for providing low-interest or no interest financing for water use efficiency improvements through the monthly utility bill (Section 81005(c)). On-bill financing removes first cost barriers to efficiency upgrades and allows financing related savings on the customer’s utility bill; reduced water use and the savings potentially offsets the customer’s cost. A local agency receiving a CalConserve loan may implement their water use efficiency loan programs through on-bill financing.

Program Design

Pursuant to AB 92, the Department of Water Resources (DWR) will use \$10 million from Proposition 1 water conservation and water use efficiency funding (Water Code Section 79746) to fund zero interest loans for:

- Local agencies to implement a pilot project to remove first-cost barriers from eligible residents to install water-saving upgrades through a targeted and monitored financing program such as on-bill financing.
- Local agencies to provide low interest loans to customers for installation of onsite improvements to repair or replace cracked or leaking water pipes.

AB 92 established a \$3 million cap per project. A local agency that receives a loan pursuant to these provisions shall exercise reasonable efforts to recover the costs of the loan. The bill also authorizes the department to waive up to 10% of the repayment amount for unrecoverable local agency costs.

This loan program will be offered to local agencies through a proposal solicitation package. DWR will develop loan application guidelines and a proposal solicitation. Applications will be accepted during the application period and then on a continuous basis until funds are exhausted.

Timeline

Draft Loan Guidelines and Proposal Solicitation Package (PSP) Public comment period 3 public meetings	Fall 2015
Final Loan Guidelines and PSP	Spring 2016
Loan Application period begins Loans are awarded to the most qualified applications received during the application period. Thereafter, funds will be awarded on a first come first served basis until exhausted.	Summer 2016

For more information visit www.water.ca.gov/wuegrants/CalConserve.cfm.