

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *DBB*
DATE: JUNE 5, 2009

**AGENDA ITEM
E-3
JUNE 10, 2009**

DETERMINE FUNDING FOR FY09-10 HEW REBATE PROGRAM

ITEM

Determine funding for FY09-10 High Efficiency Washer Rebate Program [PROVIDE POLICY DIRECTION]

BACKGROUND

Your Honorable Board, on February 11, 2009 suspended the HEW Rebate Program (See attached staff note) and set this item to receive an update on the State's Funding status and to consider FY09-10 program funding. The State has not re-instituted the funding nor are they expected to do so.

Should your Board wish to reinstate this program for FY2009-10 without any state contribution, NCSD has the option of continuing to use (and pay for) UWCC's program management or the program could be brought in-house without UWCC program management. Staff continues to believe that this program assists in achieving the District's Water Conservation Goals and according to the limited survey performed this Winter, it was very popular with the participants.

FISCAL IMPACT

With UWCC involvement the cost per rebate adds up to \$202.51 plus staff time. Without UWCC involvement the cost per rebate would be \$150 plus staff time and some funding for advertisements.

RECOMMENDATION

Staff recommends that the Board discuss the program and provide policy direction.

ATTACHMENTS

- Feb 11th Staff Note

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2009\HEW FUNDING 090605.DOC

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL
DATE: FEB. 9, 2009

**AGENDA ITEM
E-7
FEB. 11, 2009**

**DISCUSS OPTIONS TO FUND
HIGH-EFFICIENCY WASHER REBATE PROGRAM**

ITEM

Discuss options to fund high-efficiency washer rebate program [PROVIDE POLICY GUIDANCE].

BACKGROUND

The District's Water Conservation Program includes a high-efficiency clothes washer (HEW) rebate program. The HEW program assists our customers in decreasing water consumption, and fulfills Water Conservation Best Management Practice 3 for the California Urban Water Conservation Council (CUWCC), the Memorandum of Understanding of which the District is a signatory.

The District's HEW rebate program is currently being administered by the CUWCC. This approach has proven beneficial to the District by saving the District money (these rebates are 50% subsidized by a State Grant, and the administrative fees are subsidized 35%, also by a State Grant, saving the District \$75 per each \$150 rebate and \$19.12 of the administrative fees), and by saving the District the employee hours which would otherwise be utilized in administering the program.

The District purchased 100 rebates initially and, on 12/10/2008, the Board authorized an additional purchase of 100 rebates. As of the end of December 2008, 53 rebates had been sent to NCS D customers. To date, \$15,000 has been paid by NCS D for purchase of the rebates. As of the end of December, there was, of NCS D funding, \$11,205 remaining in the CUWCC HEW rebate program.

On January 28, 2009, we were notified by CUWCC that all funding from the DWR was suspended until further notice due to the funding difficulties of the State of California.

If we wish to continue providing rebates for our customers through the CUWCC, we may elect to fully fund our rebates ourselves.

COSTS OF HEW REBATES, WITH DWR FUNDING AND WITH FUNDING FROM NCS D ALONE			
Rebate Item	Previous Cost NCS D (w/DWR Funding)	Future Costs (NCS D Funded)	Difference
Rebate Cost	\$ 75.00	\$150.00	\$ 75.00
Processing Charges	\$ 33.39	\$ 52.51	\$ 19.12
TOTAL:	\$ 108.39	\$ 202.51	\$ 94.12

Should we elect to continue the program through the CUWCC, fully funding it ourselves, the total additional costs per rebate would be \$94.12.

Recently, questionnaires were sent to 45 recipients of HEW rebates. Of the ten returned, all of the answers reflected satisfaction with their purchases and the rebates/process. The majority of the recipients indicated that they accessed the CUWCC program via the CUWCC website. All but one respondent indicated that they would "definitely" participate in a future CUWCC-administered rebate program; one indicated "possibly."

All respondents reported using less water, detergent and fabric softener with the new HEW. The majority indicated that their reason for selecting the HEW model was energy and water conservation. All, except for one respondent, indicated that the new HEW performed "much better"; one respondent replied "somewhat better." All indicated that energy and water conservation was "very important" to them.

FISCAL IMPACT

There are sufficient funds remaining on deposit with the CUWCC to pay for an additional 54 HEW rebates (at the NCSD fully-funded rate).

There are sufficient funds remaining in the FY 2008/2009 Water Conservation Budget for HEW rebates to pay for an additional 106 HEW rebates (at the NCSD fully-funded rate).

\$\$ Deposited with CUWCC for 200 Rebates	\$15,000
\$\$ Paid for Rebates as of 12/2008	\$3,975
\$\$ Remaining on Deposit w/CUWCC as of 12/2008	\$11,025
\$\$ in FY 2008/2009 WC Program for HEW Rebates	\$36,500
Cost for Each HEW Rebate (Fully Funded by NCSD)	\$203
# of NCSD Fully-Funded Rebates Possible from Remaining Funds Deposited with CUWCC	54
\$\$ Remaining in FY08/09 Budget for HEW Rebates (after \$15,000 paid to CUWCC)	\$21,500
# of NCSD Fully-Funded Rebates Possible from Remaining FY08/09 WC Program Budget	106

RECOMMENDATION

Provide policy guidance.