

Pay for Performance & Unconventional Approaches

Funding Stormwater: The Next Great Challenge

April 2017

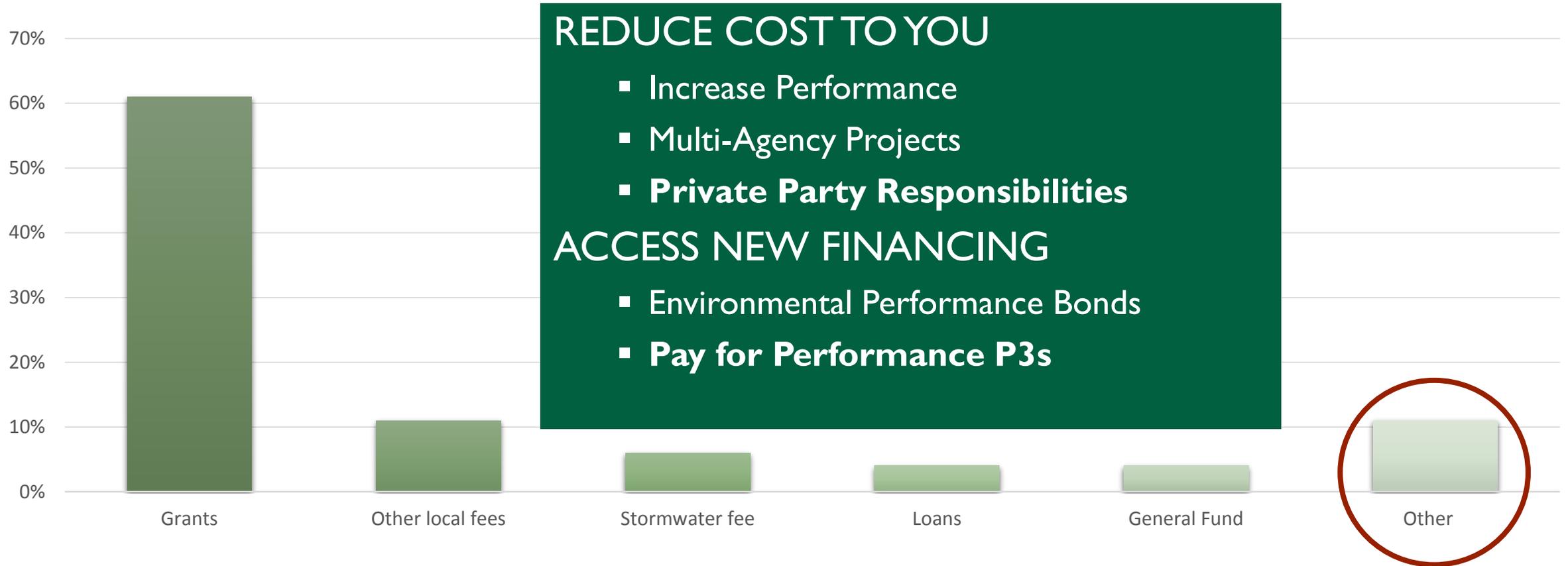


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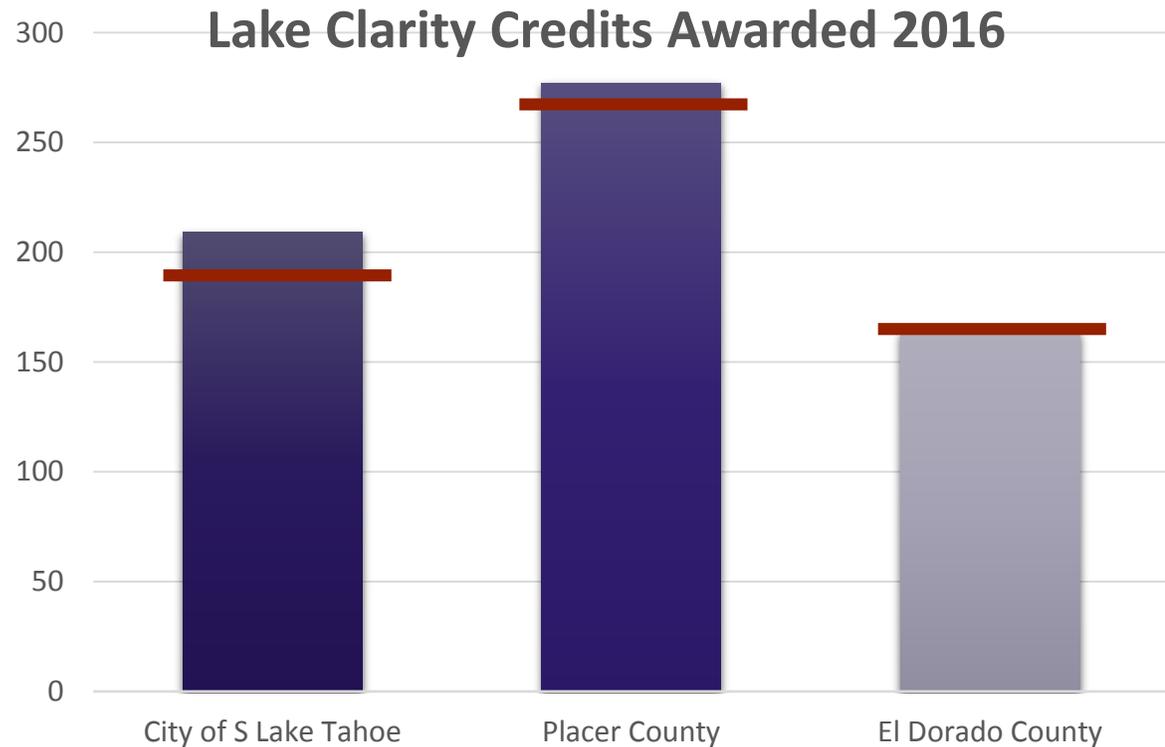
WHAT FUNDING OPTIONS ARE YOU PURSUING IN THE NEXT YEAR?



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USING PERFORMANCE FOR COMPLIANCE & CONTRACTING



Credits & Water Quality Equivalency

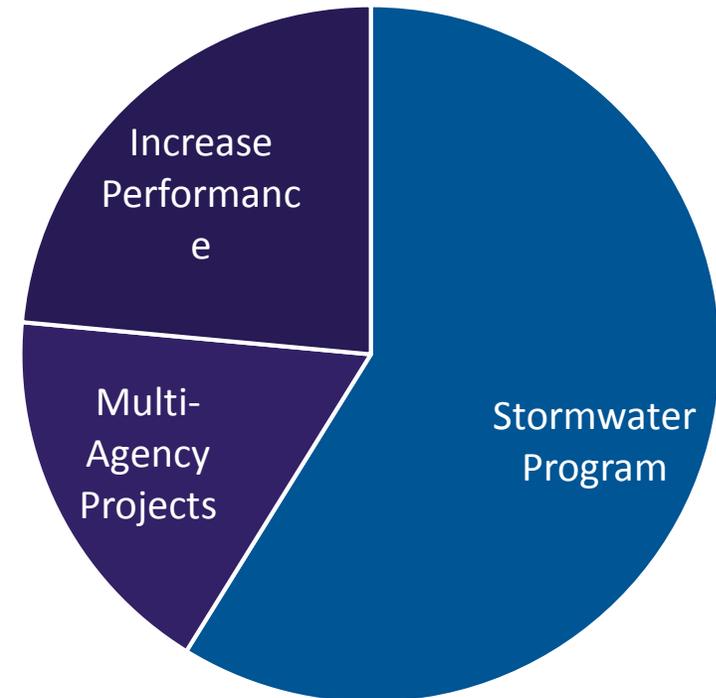
- Tahoe Lake Clarity Crediting Program
- San Diego Alternative Compliance Program
- District of Columbia Stormwater Retention Credit Program

REDUCE COSTS TO STORMWATER PROGRAM

Reduce Cost to You

- Increase Performance
- Multi-Agency Projects
- Private Party Responsibilities

Stormwater Compliance Cost



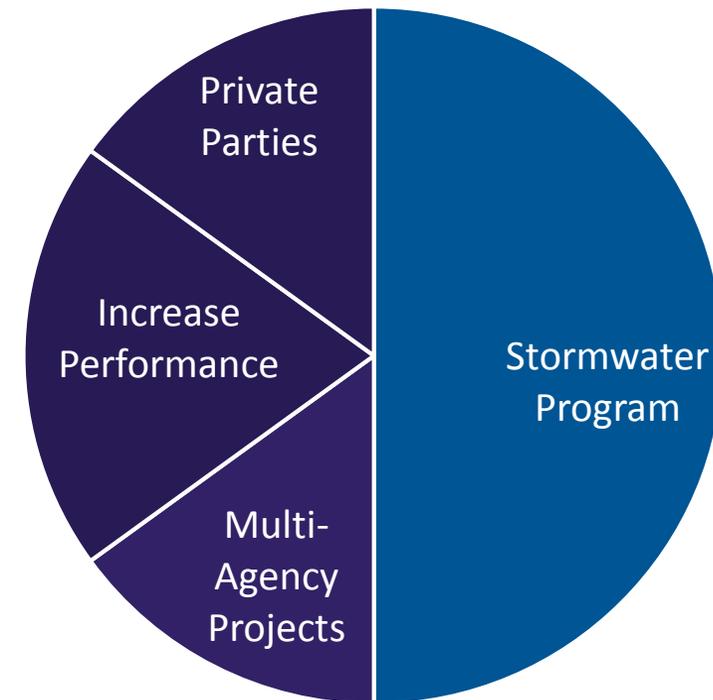
REDUCE COSTS TO STORMWATER PROGRAM

Reduce Cost to You

- Increase Performance
- Multi-Agency Projects
- **Private Party Responsibilities**
 - Redevelopment, New Dev, Retrofit

Alternative/Offsite Compliance Programs with Net Benefit

Stormwater Compliance Cost



REDUCE COSTS TO STORMWATER PROGRAM

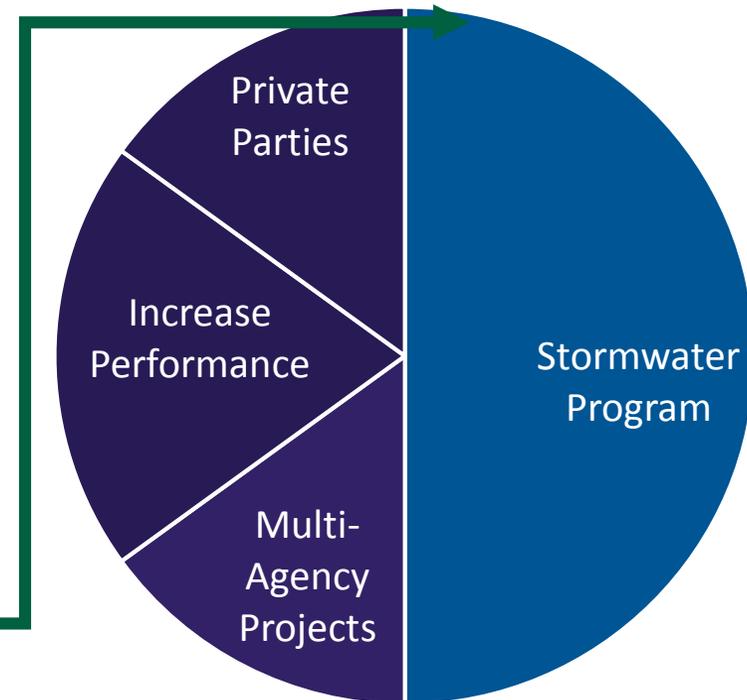
Reduce Cost to You

- Increase Performance
- Multi-Agency Projects
- **Private Party Responsibilities**
 - Redevelopment, New Dev, Retrofit

Alternative/Offsite Compliance Programs with Net Benefit

Development Fees

Stormwater Compliance Cost

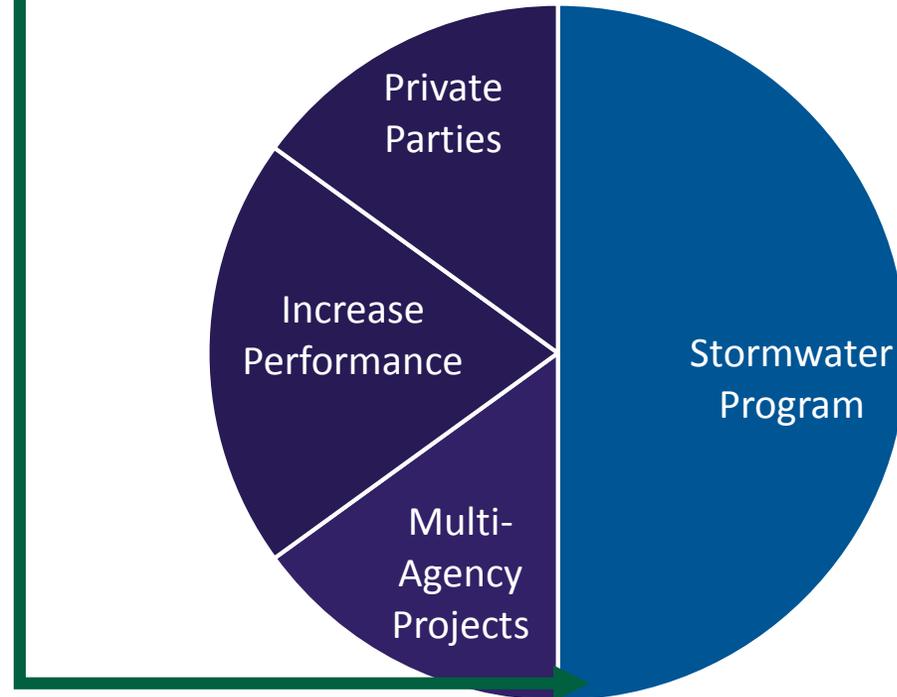


ACCESS NEW FUNDING & STAFF

Pay for Performance P3

- Access Private Financing
- Shift Risk from Public to Private – Contract Liability
- Reduce Costs
- Scale Implementation with Same Municipal Staff
- Create Private Jobs

Stormwater Compliance Cost



PAY-FOR-PERFORMANCE STRUCTURE



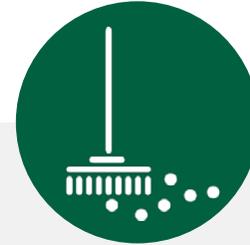
STEP 1.
**Pay For Success
Contract Mechanism**

defines terms of
payment



STEP 2.
Implementer

completes project



STEP 3.
**Pollutant Load
Reductions**

are verified and
reported



STEP 4.
Permittee

pays based on pollutant
load reductions achieved

CA DWR PAY FOR PERFORMANCE RFP

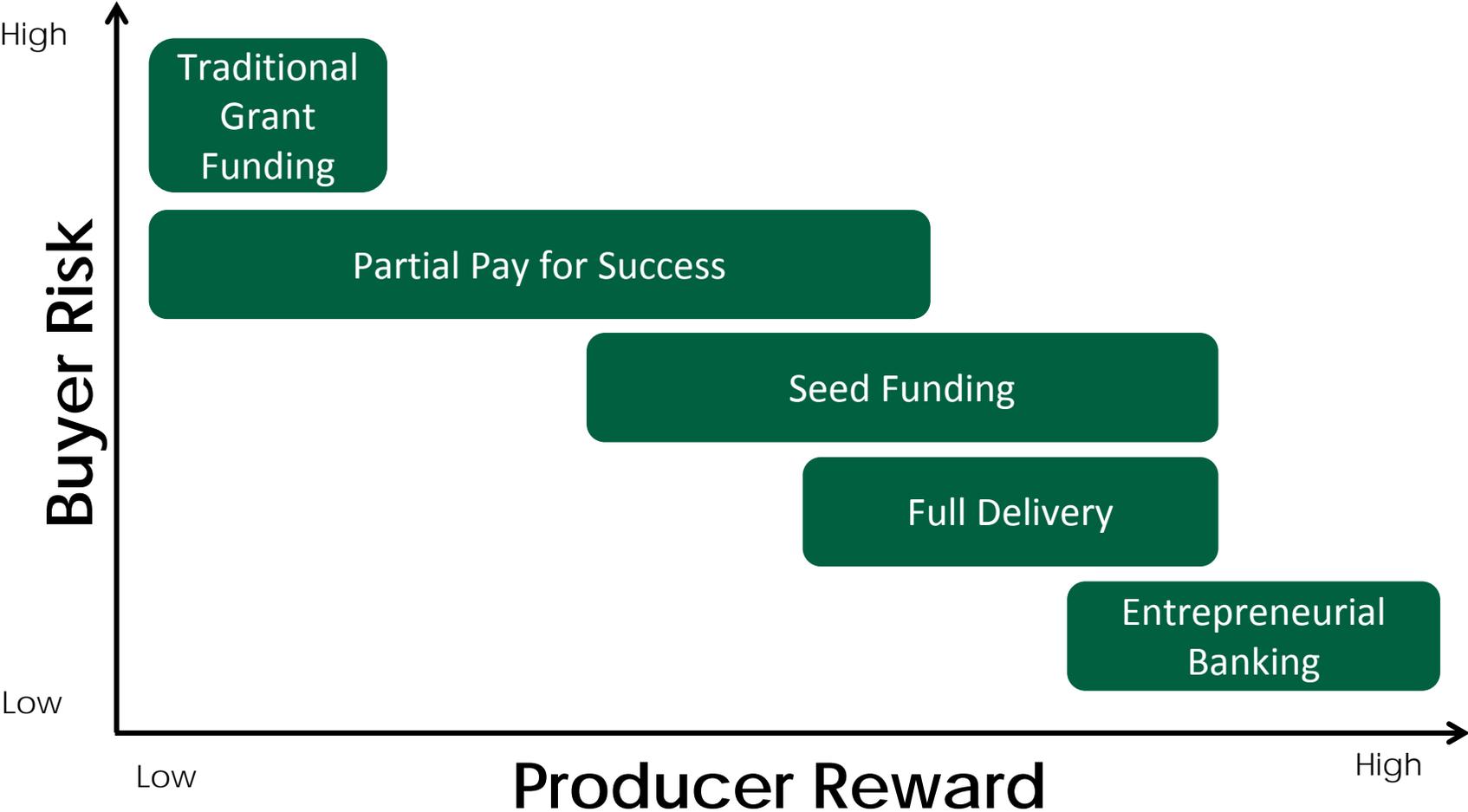
Restoration of Delta Smelt Habitat

- Public-Private Partnership
- Restore Tidal Wetlands
- Proposal Evaluation Criteria
 - Site Quality
 - Connectivity and Landscape-Scale Characteristics
 - Scoring 70% Habitat Quality 30% Cost
- Payment in year 4 or 5, based on restoration success



DWR will award a total of \$42.5 million over the next five years

SPECTRUM OF PAY FOR PERFORMANCE MECHANISMS



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