



## **RFP Supplemental Information**

### **Windsor Efficiency PAYS<sup>®</sup>**

Released by

Sonoma County Regional Climate Protection Authority

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On behalf of the  
Town of Windsor, California

**December 23, 2011**

This Supplemental Packet is offered to provide all interested RFP bidders the following information:

- Questions and Answers that were presented at all four December 14, 2011 Windsor Efficiency PAYS® RFP Pre-Submittal Meetings.
- Additional materials as appropriate to provide further information or background in regards to specific questions.

All tables of contents and indexes in this document are hyperlinked; you can navigate to any section or question/answer by clicking on the item within the table you are viewing.

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In addition to the above, please note:

- The Program Design will be sent out via email and posted to <http://www.sctainfo.org/rfp.htm> in early January.
- If we are able to develop a refined strategy for how the program design could offer potential Capital Providers a payment structure that creates an offer that works for all parties, it will be sent out via email and posted to <http://www.sctainfo.org/rfp.htm> by January 5.
- The blackout period will be extended to January 5, 2012; all questions received by Mike Sandler at [msandler@sctainfo.org](mailto:msandler@sctainfo.org) by COB on this date will be responded to by January 9, 2012, and posted to <http://www.sctainfo.org/rfp.htm>.

# Capital Providers Pre-Submittal Meeting Notes/Questions

December 14, 2011 — 9 AM

## *Meeting Attendees*

Team Members: Chris Bradt- BKi, Chris Cone- Climate Protection Campaign, Harlan Lachman- EEI, Paul Cillo- EEI, Paul Piazza- Town of Windsor, Mike Sandler- RCPA, Misty Mersich- RCPA

In-person sign in:

Michael Downey- Redwood Credit Union, Anne Benjamin- Redwood Credit Union, Alan Strachan- Global Legacy Foundation, Paul Piazza- Town of Windsor, Jim Arend- Town of Windsor, Jim McAdler- Town of Windsor

On phone/ webinar:

1. Tom Vanderheiden- One Pacific Coast Bank
2. Michelle Rodriguez- BKi

Chris Bradt started the meeting and gave an introduction. Mike Sandler gave an overview of role of RCPA and the overall county climate reduction goals. Paul A. Cillo gave a PowerPoint presentation explaining the program. Harlan Lachman facilitated the question and answers as follows:

### **Q.1: Did you say the Town of Windsor guarantees all outstanding debt?**

**A:** Yes. Regardless of customer payments, funds will be advanced from the Town of Windsor to the Capital Provider.

### **Q.2: What is the remittance rate?**

**A:** Every 15 days the Certification Agent will draw funds from the Capital Provider. The funds from each draw will be repaid to the Capital Provider with the first payment made 105 days from the date of that draw.

### **Q.3: So we need to provide \$2 million to \$4 million to be disbursed over the course of a year? Is that right?**

**A:** Yes. If the pilot is successful, these funds will be disbursed over the 12-month pilot program period and will be recovered by the Town of Windsor from its customers through water-bill surcharges collected over 2, 5, 10, and 15 year periods depending on the measures installed. Funds will be remitted from the Town of Windsor to the Capital provider with interest regardless of Windsor's collections from its customers.

**Q.4: Should Capital Providers have four different rate strategies?**

**A:** That is one approach. It is the one discussed at our meeting and is revisited in Question 5.

The program team is also investigating whether it might be possible to offer an alternative that might be simpler for the Capital Provider. If there is, we will email everyone by January 5, 2012.

The approach we are investigating would be to structure every payment to the Capital Provider based on the longest term (i.e., fifteen years if Landscaping is a measure; ten years if it is not). Windsor would repay the Capital Provider using an amortization schedule based on this longest term.

We're thinking that there could be three scheduled pre-payment opportunities (occurring when surcharges end for a class of measures) that would trigger revision of the amortization schedules, recalculated using the original interest rate.

One question to be researched is whether the first year's payments can be interest only with the amortization beginning after all capital to be used in this pilot has been transferred to the Certification Agent; or, for cash flow reasons, the amortization needs to begin right away. We are also unclear if all payments after the first year will be paid as a fixed amount monthly, two different fixed bi-monthly amounts paid in alternating months, or simply a fixed bi-monthly amount. We need to ensure that Windsor has sufficient program revenues to fulfill the selected payment option.

While it is clear this alternative might be preferable for some bidders, we are not sure whether we can structure Windsor's collections so the town can offer this alternative without taking on additional burdensome risk or potential cash flow issues. Windsor would collect from customers over the term of the surcharge using shorter amortization schedules and perhaps slightly higher interest rates and make pre-payments to the Capital Provider at the end of its collections for two, five, and ten year measures. Since the payments to the Capital Provider and from the participants are fixed, we should be able to create a system that removes the hassle of tracking different interest rates by the Capital Provider.

In addition to the concerns about Windsor's risk and cash flow, the other concern is whether the interest rate and term charged to participants would enable measures to still qualify for the surcharge.

Since Windsor is guaranteeing capital repayment with the backing of SCWA, the Capital Provider's risk is near zero. If we can simplify the loan structure, there will also be less hassle for the Capital Provider. Both of these reduce costs for the Capital Provider while adding risk and hassles for Windsor that only makes sense if they result in a lower bid interest rate for the program than originally envisioned (i.e., based on guidance from selected banks around 7%). Bidders should keep this in mind when bidding their rates.

Windsor would collect surcharges over the duration of the surcharge (i.e., using a shorter amortization schedule) and make prepayments to the Capital Provider at the end of its collections. Since the payments to the Capital Provider and from the participants are fixed, it should be possible to create a system to remove the hassle of tracking so many different interest rates by the Capital Provider.

**Q.5: This program seems like multiple small loans?**

**A:** The Capital Provider's payments could be structured in multiple ways. It could structure its capital as one loan with a line of credit and one interest rate (as described in the answer above), 23 loans, or 92 loans at multiple interest rates. However the Capital Provider books these transactions, it will be a major consolidation of the 2,000 projects in Windsor and the Capital Provider will only have to process one payment every 15 days from the Town of Windsor for each aggregated payment that the Capital Provider made to the Certification Agent.

**Q.6: So each period could involve providing capital for one household or 250 households?**

**A:** Yes. This is a pilot, and the first time this is has been done in California. We have estimated that at least 2,000 households over a one-year period will participate. But there is no way of knowing how many households will install measures in any one 15-day period, in spite of high demand for services in other states.

**Q.7: To reduce admin cost and increase security, can you estimate the number of transactions per month and guarantee the Capital Provider one or more payments every month?**

- A Capital Provider might treat its payments as four different buckets of money every 15 days? So can Windsor tell us which bucket of money this will apply to?
- Sounds like eight loans a month at four different interest rates equals 96 loans max per year. We would need to figure out admin costs for that.

**A:** If each "bucket" is treated as a separate loan, it is likely there will be 92 loans (23 periods every 15 days, multiplied by 4 buckets). We cannot guarantee how many projects or which measures will be included in any one period or over the entire program year. There is also no way to accurately predict how many customers will be purchasing measures with 2-, 5-, 10-, or 15-year terms. However, we can guarantee that after a 45-day waiting period for each project, the Capital Provider will be repaid both principal and interest every two months for each customer's project.

Additionally, as noted above, we may be able to offer to pay the Capital Provider based on one amortization schedule equal to the longest duration of surcharges (i.e., 10 years or 15 if landscaping is a measure). There would be prepayments but that might still simplify the Capital Providers' bookkeeping.

**Q.8: Does interest accrue when funds are advanced?**

**A:** Yes. The Capital Provider needs to factor in a 45-day delay for the first payment on each draw; however, interest can accrue from the date of the draw (see Q.2).

**Q.9: Will contractors be pre-paid?**

**A:** No.

**Q.10: How many Certification Agents are there?**

**A:** Only one. The Certification Agent will be the entity requesting the advance of funds to cover Contractor payments.

**Q.11: What is the Certification Agent's motivation to reach 25-percent of Windsor's customers in one year?**

**A:** The Certification Agent gets paid for completed jobs. If all 2,000 jobs are completed, they get more money. The Certification Agent's incentive is to operate the pilot for the maximum number of jobs. As noted later in this FAQ, everyone else's incentive is to install as many measures as possible.

**Q.12: What if volume is small? What if no one plays?**

**A:** The Windsor Efficiency PAYS<sup>®</sup> system assigns risk to all of the program partners. The goal is to shift risk and hassle from the customer. We want customers to say "YES!" to offers. We spread risk to everyone else. The Town of Windsor will guarantee payment regardless of collections. The Capital Provider is assured it will be repaid with interest, but there is no assurance the volume will justify set-up. Similarly the Contractors and Certification Agent have start up costs but no assurance volume will cover them. The question is whether each party thinks the offer that works is so desirable that customers will say, "Yes!" If they think 25-percent of Windsor's customers will buy unprecedented numbers of measures, there is no real risk.

There is no way to achieve climate change goals unless we get many customers to install many measures. No other approach has proven its ability to get large numbers of customers to buy many measures. Every other approach eliminates risks for contractors, utilities, and capital providers, but the consequence has been offers that do not work for the customer.

**Q.13: Local banks are best suited to provide the relatively small amount of capital needed for this pilot, but have the problem of not being able to expand to other national cities. In fact, each party's (i.e., Capital Providers, Contractors, Suppliers, and the Certification Agent) upside is capped. Small pilots are less profitable than big programs in large cities. However, absent a successful pilot, there will not likely be huge programs in big cities. Why would any bank want to do this?**

**A.** A bank might have interest in supporting its community or may want to be a part of the first viable approach to addressing climate change. Small banks and local contractors may not be able to expand to Los Angeles or Sacramento but they can expand to other Sonoma County utilities.

Additionally, one or more smaller banks may want to partner to expand their capabilities.

While the administrative or start up costs may not be justified if the pilot is not a success, the bank is guaranteed its principal and interest of any funds made available regardless of customer's payments. Even if the bank chooses to book repayments in the most complicated way possible, it will still be easier than making and servicing loans to 2,000 customers.

The justification for providing capital with this approach is that nationwide, policy makers are searching to find a way to get most customers to install resource efficiency measures. No other approach reaches renters, those who decline other offers, or can function absent large rebates. Most programs are reaching less than one percent of eligible customers each year. EEI believes that low participation rates reflect the fact the customers perceive the offers being made to them as bad offers. The Windsor Efficiency PAYS<sup>®</sup> system tries to fairly apportion risk and hassle on everyone but the customers. Every evaluation of this system indicates customers value this type of offer.

**Q.14: Why do you want to load risk on the upside?**

**A.** There is only risk if one does not believe an offer that has been successful at getting customers to purchase measures across our country will not work in Sonoma County. Any potential Capital Provider that does not believe in the Town of Windsor's "offer that works" will likely not participate. Additionally, if the pilot is not successful, unlike any other unsuccessful venture, the bank will not lose any capital or interest. All it will lose is its investment of staff time setting up and servicing a failed program.

**Q.15: This looks like an energy service company (ESCO) deal. The debt component has more equity associated with it.**

**A.** There are similarities and differences between the PAYS<sup>®</sup> approach and an ESCO deal. One key difference is that the ESCO approach tends to promote cream skimming. ESCOs typically take a percentage of savings. Their incentive is to sell the measures with the highest savings at the lowest installed cost. Additionally, some ESCOs earned bad reputations by loading their

contracts with caveats to savings guarantees that ensured they would make money regardless of whether their customers benefited from participation. For these reasons, the ESCO approach tends to promote cream skimming.

The PAYS<sup>®</sup> system promotes installation of all cost effective measures. Contractors' pricing is fixed and determined by bids (ensuring low labor costs); their profits are based on how many measures they sell. Suppliers' pricing is also fixed based on bids (again ensuring low prices); their profits are also based on how many measures are sold. The Capital Provider's interest rate is fixed based on its bid and its profits are limited by the number of measures sold. With the PAYS<sup>®</sup> system, everyone except the independent Certification Agent benefits the more measures that are sold, not on the spread between savings and measure cost or cleverly worded contracts.

The Capital Provider will have no equity interest in the program. This is a loan to the Town of Windsor.

**Q.16: Can the Certification Agent and Capital Provider be partners?**

**A.** No. The Certification Agent must be an independent party with no interest in the number of measures installed. As noted above, the Certification Agent is the only party that does not benefit from installing more measures. This independence adds to its credibility. Other entities can submit joint bids (e.g., Capital Providers and Measure Suppliers or Contractors or joint bids by two similar entities) by responding to one or more RFPs. Joint bidders must specify whether the bidders will participate only if their joint proposal is accepted or if either bidder is willing to participate separately. RFPs are available on the Web at [www.sctainfo.org](http://www.sctainfo.org)

**Q.17: What is the potential interest for this throughout the County?**

**A:** The current interest in the Town of Windsor is to use this system to reduce water usage for residential and commercial customers, even though during the first year this pilot program is only for residential customers. All other jurisdictions throughout Sonoma County and the State are looking at this pilot project in Windsor. When it succeeds, this model will be able to be replicated in any other California city.

**Q.18: Can the blackout period be extended?**

**A:** Mike will talk with RCPA's Executive Director, but we think it will be possible. We hope to obtain approval for an extension of the blackout period through January 5, 2012. Bidders will receive an email of this change and it will be noted on the SCTA web page.

**Q.19: What flexibility, if any, is there for bidders?**

**A:** Since this is a pilot, this is a good time to figure out what works (e.g., how to book payments). Between now and the end of the blackout period, potential bidders can suggest

variations that will make it easier for them to bid and we will let bidders know if the suggestion is viable. In proposals, interested Capital Providers can also make suggestions on Program Design and suggest ways to reduce interest rates. This is a community project and input will make it most successful. However, we will preserve an offer that works for customers. Cooperative bids are allowable if needed to spread.

**Q.20: Whom do I contact with further questions?**

**A:** Up until the proposed blackout date of January 5, 2012. Email all questions to Mike Sandler at Sonoma County Regional Climate Protection Authority: [msandler@sctainfo.org](mailto:msandler@sctainfo.org) Mike will then send your question(s) to the appropriate team member for a response. Answers will be emailed to all bidders and posted on SCTA's web site.

**Q.21: Our issue is going to be the regulatory climate despite our desire to help. It is just going to depend on the type of loan. What kind of loan would this be? Who is the borrower?**

**A:** This is going to be a loan to the Town of Windsor.

**Q.22: When will Program Design be ready?**

**A:** In early January 2012.

**Q.23: The selection of the Capital Provider will be made on February 1. When will you choose the other players?**

**A:** All key roles will also be filled by February 1.

**Q.24: Who is on the selection committee?**

**A:** A representative from the Town of Windsor and RCPA: at this point Mike Sandler and Paul Piazza will be the selection committee. They may choose to add additional people with specific expertise to help select bidders for one or more RFPs. EEI will act as advisor through the process.

# Capital Provider Follow Up Meeting Notes/Questions

December 22, 2011 - 9 AM

Team members:

Mike Sandler- RCPA, Paul Piazza- Town of Windsor, Harlan Lachman- EEI, Chris Bradt – BKi, Chris Cone- Climate Protection Campaign

On phone/ webinar:

Tom Vanderheiden- One Pacific Coast Bank

In response to the discussion from the 12/14 Pre-Submittal Meeting, this webinar addressed the following:

- Town of Windsor financial information requested by potential bidders was shared and will be posted to the web (see previous section of this document)
- The Program Design will be sent out via email and posted to <http://www.sctainfo.org/rfp.htm> in early January.
- A potential program design change that could make things easier for Capital Provider bidders is being considered as discussed in the answers to questions 4 and 5 above; any potential change will be communicated to all potential Capital Provider bidders by Jan. 5, 2012.

# Suppliers/Manufacturers Pre-Submittal Meeting

## Notes/Questions

December 14, 2011 — 10:30 AM

### *Meeting Attendees*

Team Members: Chris Bradt- BKi, Chris Cone- Climate Protection Campaign, Harlan Lachman- Energy Efficiency Institute, Inc. (EEI), Paul Cillo- EEI, Paul Piazza- Town of Windsor, Mike Sandler- RCPA, Misty Mersich- RCPA

In-person sign in:

Trey Cutler- Niagra Conservation, Bill Cutler- Niagra Conservation

On phone/Webinar:

John Weber- Southwest Environmental, Dennis Metzger- Chilipepper Sales

Mike Sandler started the meeting and gave an introduction. He also gave an overview of role of RCPA and the overall county climate reduction goals. Paul A. Cillo gave a PowerPoint presentation explaining the program. Harlan Lachman facilitated the question and answers as follows:

### **Q.1: Do customers have a choice in selection of products?**

**A:** For qualifying customers who decide to participate, Basic measures (i.e., showerheads, aerators, and toilets) — for which the home meets minimum usage criteria — must be installed. Basic measures have no upfront cost to the customer. All others measures are optional. Some optional measures also have no upfront cost (Basic Plus measures such as CFLs and clothes washers) and others have co-payments.

### **Q.2: Will suppliers have an opportunity to educate contractors and the Certification Agent?**

**A:** Yes. Once Contractors have been selected, there will be a mandatory training for all contractors and the Certification Agent. Suppliers are invited to participate and help lead the training session devoted to qualification and installation of their product(s). These sessions will need to be coordinated with EEI.

**Q.3: The specifications you require — are they the best?**

**A:** The term “best” can be assessed based on many different criteria. We think the specifications are the best for this pilot. They may not be the best from a number of other perspectives (e.g., most desirable, most efficient, etc.). They are the specifications that Windsor has chosen. Suppliers who have not already done so may demonstrate the performance and quality of the products they propose to supply to meet the required specifications by sending samples to Paul Piazza at the Town of Windsor as stated in the RFP. Samples will not be returned. EEI will also evaluate them, if requested.

**Q.4: What are the showerhead and aerator specifications?**

**A:** These specifications can be found in the RFP in Attachment B. The prices noted in Attachment B are guidelines. These are prices that we know will qualify measures for the pilot based on current water and sewer rates and estimates of capital interest rates. Bidders are urged to bid prices less than these amounts if they can. However, whatever prices are bid will be evaluated based on their impact on measure cost effectiveness for this pilot.

Additionally, prices must be provided for both handheld and wall mounted showerheads. Windsor is going to allow customers to choose which type of showerhead they prefer.

Finally, most faucets require male aerators. However, female aerators must also be provided. One price that applies to either must be provided.

As noted in the RFP and the Manufacturer/Distributor Agreement, Suppliers must take back unused products at no charge. This would mean that if one type of showerhead or aerator does not sell, you must plan to accept return of the unused product at no cost to the Contractor(s). The challenge will be to make sure Contractors have enough of your product to sell them when they are in homes but not so much that you are getting a significant amount of returned product.

**Q.5: Are you considering dual flush or 1-gallon toilet flush rates?**

- Does the toilet have to be 1 gallon or less?
- Would 1 gallon be allowable?
- What types of toilets must be bid?

**A:** We would prefer a single flush toilet rated at less than one gallon per flush (gpf). That is the type of toilet on which we based our preliminary savings calculations. However, dual flush toilets will be considered if the maximum flush is less than 1 gpf. We will not consider average flushes. Although our estimates are based on toilets that use less than 1 gpf, if a toilet uses exactly 1 gpf, we will evaluate that toilet. However, since measure cost effectiveness is based on savings and cost, it is likely that a toilet with 1 gpf (more usage than we considered) will require

a lower measure and/or labor price to qualify for this pilot, especially to justify replacement of a toilet that uses only 1.6 gpf. Additionally, it will provide Windsor with less water savings.

You are requested to bid toilets that meet ADA standards, with standard round bowls, and those with elongated oval bowls. For single-family residential customers, we are presently using one price to qualify toilets so it would be helpful to us to have you bid one price that applies to any style of toilet. For multi-family units where ADA toilets may be required, you can bid a separate price for ADA toilets since they would be used in 100-percent in those units as opposed to infrequently in single-family homes.

**Q.6: How do you convince customers to participate?**

**A:** As noted in the Concept Paper and in the soon-to-be-released Program Design, the premise of this pilot is that customers will say “yes” to an offer that works. The Windsor Efficiency PAYS<sup>®</sup> pilot will test whether 25-percent of Windsor customers will say yes to an offer to install measures with no upfront cost, verified savings estimates that assure the customer gets immediate positive cash flow, the ability to stop making payments if a measure fails or the customer leaves the location, no new debt, and assurances the work will be done right, and if not will be corrected at any time during the duration of surcharge payments (regardless of when the problem is identified or if it was already inspected).

We realize this may sound too good to be true for many customers. A marketing expert is working on creating trust in this offer with a marketing, education, and outreach program that has already started. Marketing strategies include: newspaper articles, bill inserts, community meetings, public outreach, testimonials, etc.

The Contractor making the offer will determine the success of this pilot program. We will identify the customers with the highest water use and give a list to selected Contractors. They can use telemarketing, door-to-door visits, neighborhood blitzes, or a combination approach to reach customers. We are assuming that starting with the highest-using customers will provide the most water and energy savings, the highest offer acceptance rate, and the most sales. However, although this system and this offer has created more sales of more products and even acceptance by customers who rejected other offers across the country, there is no assurance it will work in Sonoma County.

**Q.7: What are some of the basic selection criteria you are looking for in a strong proposal?**

**A:** We are looking for the best possible products at the best possible price with the best possible warranties. Our definitions for best possible products are products that meet the specifications and that the Town of Windsor evaluates as meeting its criteria for quality and performance. The best possible prices are prices that are less than those we used to make our preliminary cost effectiveness calculations and are included in Attachment B. The best possible warranty is a

parts-and-labor warranty that has a term at least as long as the duration of the surcharges billed for the measure being warrantied. For example, customers will be paying for showerheads, aerators, toilets, and clothes washers over 10 years — so a 10-year warranty for these measures would be ideal. Customers will pay for on-demand hot water recirculators and refrigerators over 5 years — a 5-year warranty for these measures would be ideal. Contractors will pay for CFLs for 18 months or 2 years — a 2-year warranty would be ideal for these measures.

**Q.8: What if the customer/building owner damages the measure?**

**A:** The customer Purchase Agreement makes clear that the customer and/or the building owner are responsible for any damage they cause. We recommend your warranty be clear, that it does not cover customer- or owner-caused damage, and that you provide clear operating and maintenance instructions to avoid “I did not know” claims.

We also do not expect Suppliers to warranty products damaged or lost by Contractors. However, Suppliers must provide clear installation instructions and are even invited to help train Contractors in the qualification and installation of their products at the February training (as noted in the response to Q.2 above) to avoid problems or claims of confusion. Such training will need to be coordinated with EEI.

Additionally, we expect Suppliers’ warranties to be for both parts and labor if it is determined the unit failed before the warranty had expired and it had not been incorrectly installed or damaged by the customer.

**Q.9: When do we get paid?**

**A:** Suppliers get paid when Contractors and the Certification Agent get paid. Checks for completed and approved projects will be issued approximately every 15 days. Since the Certification Agent writes the checks for everyone including itself and only for completed projects, the incentive is to write checks on time.

A job is completed when the Lead Contractor and Appliance Vendor have installed their products, completed all program related paperwork, and received a successful on-site or telephone inspection that approves the work. Checks will not be held up if Landscaping is a measure, however they will be held up if it takes longer than the 10 days for the Appliance Vendors to install their products. Appliance Vendors must install products within the 10 day window.

**Q.10: How are shipments going to work? Where do I ship my product?**

**A:** You will need to negotiate shipping with the selected Contractor(s). There may be two Lead Contractors. Each will need a supply of toilets, showerheads, aerators, and on-demand residential hot water recirculators sufficient to meet demand. They also need to provide secure storage for these items and that may be limited. Negotiations will need to balance the Contractors’ need to

have adequate product, but not so much that they cannot store it, while keeping Suppliers' shipping costs reasonable.

**Q.11: How many contractors are you going to choose?**

**A:** As noted above, there will be one or two Lead Contractors selected. There will be one Appliance Vendor who must both supply and install approved products. There will also be one or two Certified Landscapers, who must both supply and install approved products. Two Lead or Landscaping contractors will be selected only if their products are the same and the higher priced contractor will work for the same price as the lower bid contractor.

**Q.12: Are you entertaining bids for both Contractors and Suppliers to be the same entity?**

**A:** There is no reason for a potential bidder not to bid to fill both roles. There can also be partnerships between one or more bidders. There may be economies of scale that lower overall cost. Bidders applying for more than one role must submit separate proposals for each role All RFP's are available on the website: [www.sctainfo.org](http://www.sctainfo.org)

All proposals for both Contractor and Supplier must specify whether a bidder's proposal to fulfill both roles, or work in partnership with another bidder, is a requirement of their bid or if the bidder will accept any role. Additionally, bidders for these roles cannot also submit bids to be the Certification Agent.

**Q.13: Where should I send my samples to?**

**A:** Pg. 8, No. 4 of the Supplier RFP has the address of the Town of Windsor representative to whom to send samples: Mr. Paul Piazza, Water Conservation Program Coordinator, Town of Windsor, 9291 Old Redwood Highway, Windsor, CA 95492-0100.

**Q.14: Who is on the selection committee?**

**A:** A representative from the Town of Windsor and RCPA: at this point Mike Sandler and Paul Piazza will be the selection committee. They may choose to add additional people with specific expertise to help select bidders for one or more RFPs. EEI will act as advisor through the process.

# Certification Agent Pre-Submittal Meeting Notes/Questions

December 14, 2011 — 1 PM

## *Meeting Attendees*

Team Members: Harlan Lachman- Energy Efficiency Institute, Inc. (EEI), Paul Cillo- EEI, Paul Piazza- Town of Windsor, Mike Sandler- RCPA, Misty Mersich- RCPA

In-person sign in:

Chris Bradt –BKi, Chris Cone- Climate Protection Campaign, Liz Yager- County of Sonoma and Sonoma County Energy Independence Program, Barry Cogbill- Pathways Energy

On-phone/ webinar:

None

Mike Sandler started the meeting and gave an introduction. He also gave an overview of role of RCPA and the overall county climate reduction goals. Paul A. Cillo gave a PowerPoint presentation explaining the program. Harlan Lachman facilitated the question and answers as follows:

### **Q.1: Are there any local preference requirements in the selection criteria?**

**A:** All of the other RFPs specify a preference for local bidders — providing all other aspects of the bids are equal, though there is no definition of “local” in these RFPs. The SCTA/RCPA Board has not adopted official local preference policies for the agencies. However, there is general support for local vendors, so it is likely to be reflected in the criteria used by the review committee for this RFP — again assuming all other aspects of the bid are comparable.

### **Q.2: Who is on the selection committee?**

**A:** A representative from the Town of Windsor and RCPA: at this point Mike Sandler and Paul Piazza will be the selection committee. They may choose to add additional people with specific expertise to help select bidders for one or more RFPs. EEI will provide advice throughout the process.

### **Q.3: How will the program be marketed?**

**A:** As will be clear once the Program Design is released, there are two types of marketing for this pilot: a public campaign to introduce all Windsor customers to the Windsor Efficiency PAYS<sup>®</sup> pilot’s unique offer and direct Contractor marketing of their services to assigned customers. Program funds have been allocated and a plan is in place for the marketing, education and outreach effort that has already begun with bill inserts, a Windsor Web page, and newspaper articles.

Lead Contractors will be assigned customers with higher than average usage who are likely to be eligible to participate. It will be their responsibility to contact customers (e.g., telemarketing, door-to-door, neighborhood blitz) in accordance with the protocols described in the Program Design. Contractors can also use public marketing, providing these efforts are approved in advance by the Certification Agent. The Certification Agent can seek guidance from RCPA, Windsor, or EEI if it has questions about approval of such efforts.

Contractors will be required to provide program designed photo ID badges that must be worn by field staff (at their expense). Contractors may choose to equip field staff with program designed caps, windbreakers, t-shirts, and/or removable magnetic signs to affix to vehicles.

Finally, it makes sense if there is more than one Lead or Landscape Contractor to assign Windsor customers with lower usage. That way, if a customer who was not identified as a high user opts-in or contacts a Contractor's staff, staff will know how to respond (i.e., to provide services to them or to refer them to the other Lead or Landscaping Contractor).

**Q.4: Can you explain a little bit about the on-site duties for the pre- and post-inspections? What are they?**

**A:** On-site pre- and post-installation inspections will be performed by the Certification Agent and do not require Contractor staff to be present. They are not intended to be adversarial so the Certification Agent may allow Contractors to be present.

The Program Design details what the Certification Agent is required to check. However, attached is a DRAFT Attachment to the Program Design that summarizes our initial thoughts about what each inspection will entail. This Attachment will be revised by the time the final draft of the Program Design is circulated (likely after all parties have been selected and have had a chance to meet to discuss the program).

The pre-inspections are designed to ensure Contractors fulfill all of their screening and other program duties, making sure the Contractor is doing what it is supposed to do. For example, the Certification Agent will make sure initial screening questions were asked and processed correctly. It will also allow the Certification Agent to verify inputs on the Data Sheet (usage inputs supplied by the customer and existing equipment and conditions identified by the Contractor). On-site pre-installation inspections are required by the Program Design to be done for at least 5-percent of completed projects.

On-site post-installation inspections, required for at least 10-percent of completed projects, may cover the same items as the pre-inspections as a check on the pre-inspection and allow the Certification Agent to verify that work was installed according to the Contractor and Purchase Agreements. Remember, Contractors are responsible for the quality of their work regardless of the results of Certification Agent inspections.

**Q.5: How do you monitor the 5-percent on-site pre-inspection requirement?**

**A:** The Certification Agent needs to monitor itself and make sure it is always around 5-percent. If the program were to stop at anytime — the Certification Agent should be able to prove that they have done 5-percent. Pre-inspections need to be done throughout the program although it probably makes sense to do a slightly higher percentage initially. There is no penalty (and no additional payment) for additional pre- or post-inspections.

**Q.6: Will there be guidance on pre-inspection and post-installation specifications?**

**A:** Yes, as far as what to inspect. The aforementioned checklist and the Program Design detail what needs to be checked.

No, in terms of how to inspect each item. The Certification Agent's bid should make clear that it knows how to inspect that forms are correctly filled in and information reflects reality (i.e., usage data and existing equipment) and that an appliance, toilet, or showerhead has been installed correctly (level, proper clearances, no leaks, etc.).

**Q.7: Do you want to see strategies to fulfill pre- and post-inspections in the proposal?**

**A:** Yes, as well as evidence that the bidder understands the program players and how to manage the role. The Certification Agent will need to be both a program cop and a program cheerleader in this role.

**Q.8: What level of skill is needed for the inspections? Do I need to know code?**

**A:** The Certification Agent will not be doing code inspections — although if an inspector identifies a code violation with which it is familiar, it must report it. As noted in the attachment referred to in the answer to Q.4 above, the Certification Agent will need to know that all measures were installed correctly as described above, talk to the customer about how measures are working, determine whether the customer received usage instructions and a warranty manual, etc.

**Q.9: What if I try and try to get a hold of a customer via phone, but I cannot reach them?**

**A:** As the Certification Agent, you need to pre-approve all work and approve all completed installations as correct and complete by either speaking with the customer or visiting their house. If you have difficulty reaching a customer, the Contractor can help you out, as the Contractor cannot proceed with the project until the pre-inspection has been done and will not get paid until the post-inspection has been completed.

**Q.10: How were program fees determined?**

- a. How are Certification Agent fees determined?

**A:** Program fees are charged to participating customers for each completed project. Sonoma County is a Mediterranean climate and each home is different. In order to get as many measures as possible to qualify for the pilot under the 75-percent rule, we had to vary the fees based on the types and number of measures installed in any home. At the start of the program, the maximum program fee for a participating customer will be \$150. After the first quarter of the program (or sooner if the Certification Agent notices a problem), the fee structure will be re-evaluated. Windsor can authorize a fee increase, an increase in the maximum per-participant fee, or new fees for Co-pay measures. While the Certification Agent will be in charge of monitoring receipt of sufficient fee revenue to pay itself its bid amount, Windsor's commitment is to ensure there will be sufficient revenue for the Certification Agent to be paid its bid fee.

The Certification Agent will be paid a fixed fee for each completed project. This fee is determined by the bids that prospective Certification Agents submit. There is no maximum or minimum fee to bid. However, we know the program can be offered if a qualified bidder for the Certification Agent's role bids \$100 or less per completed project.

**Q.11: In the RFP, PG 6, #6: Does Certification Agent initiate surcharge?**

**A:** Yes. Ideally, the Certification Agent will have remote access to the Town of Windsor's computer system to perform this task and perform the data entry required to initiate the surcharge using Citrix or the equivalent. However, if remote access is not available, the Certification Agent, using another mutually agreed upon method, will notify the Town of Windsor to initiate charges for each customer for whom measures have been installed, verified, and paid for.

Every contractor will fill out the program Data Sheet. The Certification Agent will ensure the sheet is correctly filled out. We would like to see the Data Sheet calculate measure costs, program fees, and the duration and amount of surcharges automatically. Better yet would be a system where Contractors use a 3G-equipped device to send signed copies of all program forms and the Data Sheet to the Certification Agent. If a bidder has the capacity to use iPads or other 3G devices that can process signed forms and distribute them electronically, please discuss this in your proposal.

**Q.12: If Certification Agent initiates the surcharge, who will end it?**

**A:** The Town of Windsor will be responsible for ending the surcharge once all costs for a location have been paid. We hope to have this automated.

**Q.13: Are there forms or templates for content that we will have, or will Certification Agent have to make all new material?**

**A:** All forms and templates, except for those noted in this Q&A and in the Program Design as being the specific responsibility of the Certification Agent (e.g., tracking program fees) will be released to the Certification Agent, when the Certification Agent signs an Intellectual Property

(IP) agreement. There are drafts of almost all forms available now. However, the program team envisions modifying the current drafts before the final version of the Program Design is circulated, in part based on suggestions during the December 12, 13, and 14<sup>t</sup> meetings in Santa Rosa.

**Q.14: Will this program be extended longer than one year?**

**A:** If the pilot is successful, the Town of Windsor is likely to want to continue the contract after one year. If the pilot is successful, but the contract is not renewed, there are other municipalities in Sonoma County that might want to achieve similar results for minimal costs. Finally, the program team has received substantial interest from some larger California cities who are watching to see if this pilot is successful.

**Q.15: In the RFP, Pg. 7, #16: What is the requirement for ARRA reporting?**

**A:** The Certification Agent will be required to give RCPA quarterly program data for inclusion in the ARRA report. All details of this will be worked out with RCPA. The Data Sheet likely already has all of the required data so this task should be relatively simple.

**Q.16: Is the Certification Agent a subcontractor to RCPA?**

**A:** No. The agreement will be between the Certification Agent, Capital Provider, and the Town of Windsor.

**Q.17: You mentioned ARRA reporting. Is this project funded with federal money? Do Davis-Bacon rules apply?**

**A:** We believe Davis Bacon rules do not apply. No federal funding is being used to finance or pay for program measures or operations by Contractors, Windsor staff, or the Certification Agent. Actual measure installations are funded by private capital (from the Capital Provider). Federal funds (ARRA money from the U.S. Department of Energy) were used to pay for program design (e.g. EEI's work) and some overall marketing (likely to be concluded by program start-up) and are available to support pilot evaluation — but none are being used for program measures or services.

**Q.18: Will the Certification Agent be responsible for 1099 reporting for contractors?**

**A:** We believe so. However, please contact your accountant/auditor and follow their instructions. If required, as we expect it is, this should be included in your administrative overhead.

**Q.19: The RFP states a 25-page limit. How strict are you going to be on this?**

**A:** Make sure your proposal contains the important information and is concise. Please stay as close to the 25 pages as possible. Less is better, but if your proposal is one or two pages over the limit, it will still be read. We will be stricter on the six-page limit for the narrative than on the overall limit.

**Q.20: What is the difference between non-warranty repair and post-warranty repair?**

**A:** Post-warranty repair refers to repairs required when the warranty does not extend to the full term of the surcharges. We assume Windsor Efficiency PAYS<sup>®</sup> will not require a Certification Agent after three or four years. Therefore, it is unlikely the Certification Agent will be required to oversee post-warranty repairs because of the length of warranties (i.e., five years). Non-warranty repairs are repairs not covered by the warranty, for example, those necessitated by customer or owner caused damage or lack of maintenance or an act of God. These may occur and a bid to cover Certification Agent oversight is required.

**Q.21: What is GAAP? Is this document available?**

**A:** This acronym stands for Generally Accepted Accounting Principles. Talk to your accountant/auditor to ensure that your organization is in accordance with this requirement.

**Q.22: In the contract, it appears that the Sonoma County Water Agency (SCWA) gets the carbon credits for these projects. Is that correct?**

**A:** Yes. SCWA asked for the carbon credits associated with the water and energy savings achieved by the measures in the program in return for offering a \$250,000 security fund. Allowing SCWA to claim carbon credits has not yet been approved by the Windsor Town Council, but we hope they value the security fund enough to award the carbon credits to SCWA.

# Contractors Pre-Submittal Meeting Notes/Questions

December 14, 2011 — 3:30 PM

## *Meeting Attendees*

Team Members: Chris Bradt- BKi, Chris Cone- Climate Protection Campaign, Harlan Lachman- Energy Efficiency Institute, Inc. (EEI), Paul Cillo- EEI, Paul Piazza- Town of Windsor, Mike Sandler- RCPA, Misty Mersich- RCPA

### In-person sign in:

Marsha Prillwitz- Water Management Inc, Liz Yager- County of Sonoma, Frank Fromme Standards of Excellence, Paul Giles- Standards of Excellence, Sean Cleeves- Standards of Excellence, Steve Brown- Santa Rosa Plumbing, Bruce Antognini- The Great Backyard, Duane Faloni- Gardenworks Inc, Peter Estournes- Gardenworks Inc, Susan Garbert- Cricket Landscapes, Stephen Smith- Pipedreams Plumbing

### On phone/ webinar:

Gary Nicholson- Cagwin & Dorward, Michael Francheck- EcoGreen Services, Steve Raffini- Raffini Plumbing

Mike Sandler started the meeting and gave an introduction. He also gave an overview of role of RCPA and the overall county climate reduction goals. Paul A. Cillo gave a PowerPoint presentation explaining the program. Harlan Lachman facilitated the question and answers as follows:

### **Q.1: What are the measures?**

**A:** Basic measures (i.e., those that require no upfront payment but that participants must install if eligible based on usage) include toilets, aerators, and wall-mounted or handheld showerheads; Basic Plus measures (optional measures that require no upfront co-payment) include clothes washers, a basic landscaping package, and compact fluorescent lights (CFLs). Co-pay measures (measures that require upfront customer co-payments) include on-demand residential hot water recirculation pumps, refrigerators, enhanced landscaping, and clothes washers with more features and even better energy and water factors. The Program Design to be released in early January will offer the best description of each measure and how it fits into the program.

### **Q.2: What is the offer?**

**A:** As noted in the Concept Paper and in the soon-to-be released Program Design, the premise of this pilot is that customers will say “yes” to an offer that works. For Basic and Basic Plus

measures, the Windsor Efficiency PAYS<sup>®</sup> pilot will test whether customers will say yes to an offer to install measures with no upfront cost, verified savings estimates that assure immediate positive cash flow, the ability to stop making payments if a measure fails or the customer leaves the location, no new debt, and assurances work will be done right and, if not, will be corrected (at any time during the payment period even if it was already inspected and approved).

The offer for Co-pay measures is different. While Co-pay measures also provide water and energy savings, with present utility rates they are not sufficiently cost effective to assure immediate positive cash flow to the customer. However, this program's RFP process is likely to result in prices and consumer assurances that make purchasing these products through the pilot a better bargain than customers are likely to be able to obtain on their own. Additionally, a portion of the cost of all but one Co-pay measure (i.e., matching clothes dryers) will be able to be paid using the Windsor Efficiency PAYS<sup>®</sup> surcharge, which will lower the upfront cost and provide additional consumer assurances.

**Q.3: How are we targeting customers?**

**A:** A contact list of customers with the highest water use, both year round usage and higher summer vs. year-round usage (i.e., most likely those irrigating turf), will be generated and provided to the Lead Contractor. If there is more than one Lead and/or Landscaping Contractor, customers will also be sorted by neighborhood and assigned to the Contractors to be contacted.

**Q.4: How is marketing being handled?**

**A:** We realize that an offer that works may sound too good to be true for many customers. A marketing expert is working on creating trust in this offer with a marketing, education, and outreach program (MEO) that has already started. Marketing strategies include: newspaper articles, bill inserts, community meetings, web pages, social networking, public outreach, etc. The expectation is that most customers will have already heard about the Windsor Efficiency PAYS<sup>®</sup> program and the offer that works before Contractors contact them.

Contractors are responsible for marketing their services to assigned customers. Contractors will be assigned customers with higher than average usage. We assume that starting with the highest using customers will provide the most water and energy savings, the highest offer acceptance rate, and the most sales. However, there is no assurance it will be as successful in Sonoma County as it has been in other parts of the country where this system and this offer have created more sales of more products — even acceptance by customers who rejected other offers — than traditional efficiency programs.

It will be the Lead Contractor's responsibility to contact customers (e.g., telemarketing, door-to-door, neighborhood blitz, or some combination of these approaches) in accordance with the protocols described in the Program Design. Contractors can also use public marketing, providing these efforts are approved in advance by the Certification Agent. The Certification Agent can

seek guidance from RCPA, Windsor, or even EEI if it has questions about what will be approved.

Contractors will be required to provide program developed photo ID badges that must be worn by field staff (at their expense). Contractors may choose to equip field staff with program designed caps, wind breakers, t-shirts, and/or removable magnetic signs to affix to vehicles.

**Q.5: What type of contractor is the lead? Does it have to be a plumber?**

**A:** The Lead Contractor does not have to be a licensed plumber. Contractors' bid proposals must demonstrate that their installers have the skills and experience to install the following measures: toilets, aerators, wall mounted or handheld showerheads, compact fluorescent light bulbs (CFLs), and on-demand residential hot water recirculation pumps.

**Q.6: Will permits be needed for installing toilets?**

**A:** Permits are not required in the Town of Windsor for installing toilets, unless pipe needs to be cut for the installation. We recommend treating such installations as not eligible for this program because customers may be upset if they are told they have to pay for the plumbing to participate after they have been marketed as a no upfront cost measure.

**Q.7: Will we need to install electricity for the on-demand water pumps?**

**A:** No. These units are made to be plugged into nearby existing electrical outlets. If there is no nearby outlet, or the customer does not want a hole drilled in the cabinet so the provided electrical cord can be connected to an outlet, then the customer will not be eligible for this measure.

**Q.8: How can we get a toilet for \$125? This is way too cheap!**

**A:** Contractors will not be responsible for purchasing toilets and other measures. Suppliers and manufactures will be bidding on providing program measures. Based on EEI's research, we expect one or more vendors to bid qualifying toilets at this price or lower.

Please note that as stated in Attachment D of the RFP, Contractors are responsible for including in their installation costs the cost for a toilet seat (which must be described in detail), and ancillary parts such as a new wax ring, new closet bolts, a new reinforced braided supply line, a new flange, and angle stop.

The RFP is available on the Website (<http://www.sctainfo.org/rfp.htm>) and the specifications for the measures are available in Attachment B of the RFP if you are interested in bidding.

**Q.9: Will landscape contractors and appliance vendors have the opportunity to work with the lead contractor in the marketing?**

**A:** Yes. As long as the marketing is approved by the Certification Agent it will be permitted. If there is one Lead Contractor and one Landscape Contractor, coordination will be simple. If there are multiple contractors of each type, we will try to arrange the distribution so that one Landscape Contractor works with only one Lead Contractor to simplify the potential for joint marketing.

**Q.10: Where can I get information on demographics for Windsor?**

Q10a. We are requesting any available pertinent data from the City of Windsor, including the community demographics, lot sizes, landscape sizes, their existing turf rebate program, average gallons per person per day consumption, etc.

Q10b. Can the Town of Windsor give landscapers an average square footage of turf in the town?

**A:** Please refer to the attached pdfs supplied by the Town of Windsor, attached to the end of this document

**Turf rebate program results to date:**

(Rebate amount is \$0.50 per ft<sup>2</sup>, up to \$350)

Number of participants:	120
Average turf removed per participant:	773 ft <sup>2</sup>
Average rebate amount:	\$278.33

An average lot size has not been calculated, however for this pilot the Zoning Map classification of ER and SR covers almost all single family detached housing in Town. SR lots are from 6,000 to 10,000 sq ft and ER lots are 10,000 sq ft and up. A copy of the zoning map is attached. Windsor's Water Conservation Program Manager thinks the average landscape area may be 2,800 sq ft.

**Q.11: Will irrigation be permanent or temporary?**

**A:** Permanent. It needs to be installed with a way to easily shut it off from the main irrigation system. Even though the plants must be dry-summer, drought-tolerant and once plants are established we hope no watering is required, it is possible that some weather conditions may require the drip irrigation system be used well after plants are established.

**Q.12: What is bottom line goal of this program? Is it water savings? Energy savings?**

Q12a. What qualities will make this a successful program? Will you count one aerator in each home as a success?

**A:** To be successful, this program must achieve both energy and water savings and more.

Clearly participants who install measures in order to save water and energy require those savings to show up. The cost effectiveness of many measures (e.g., high efficiency showerheads and clothes washers) depends on both the water and gas or electric savings they will produce.

For this program to be considered a success, we need Certified Contractors (and all other partners) to provide great customer service, high quality installations, and desirable measures that withstand customer usage and the test of time. No utility, especially no municipal utility, can afford to have customer relation problems. All the efforts by resource efficiency and climate change advocates to get this pilot operational will be wasted if problems with customer relations, installations, or measures inhibit other municipalities and utilities from replicating it.

**Q.13: Are other municipalities in Sonoma County going implement this program?**

**A:** This is a pilot in Windsor, and the first use of the PAYS<sup>®</sup> system in California. If it is successful, if we prove a high percentage of customers will say yes to resource saving installations without huge rebates in a short period of time, we anticipate that other cities throughout the county and California will want to bring this type of program to their customers.

**Q.14: What is the motivation of the lead contractor to sell the appliance or landscape services?**

**A:** The Lead Contractor is required to inform the owner about these other measures and to sell clothes washers when they are eligible. There is also a \$300 penalty fee if the Lead Contractor is found not to be fulfilling these responsibilities.

More importantly, a successful program requires cooperation. For example, if the Appliance Vendor is kept happy through sufficient sales, it is more likely to meet its requirement to install appliances within 10 days of the sale, which means the Certification Agent and Lead Contractor will be paid sooner. If the Landscape Contractors are kept busy, it is certain that replication of this pilot at Windsor and elsewhere will occur. Dry-summer, drought-tolerant landscaping has not been a measure with widespread acceptance in spite of its benefits to customers and society. Cooperation will create new sales potential for the selected contractors and suppliers who make this pilot a success because the next programs are likely to want to use the same installers and suppliers who made this pilot successful.

**Q.15: Will there be marketing materials given to customers for landscape or appliances?**

**A:** Yes. Landscape Contractors and Appliance Vendors will work with the Lead Contractor to provide these materials.

**Q.16: If three different people (Lead Contractor, Appliance Vendor, Landscape Contractor) are all performing work at three different times, how can the payment get onto the utility bill?**

**A:** The Certification Agent is responsible for ensuring that this function happens. It will be better for Windsor and the Certification Agent if all work is completed within 10 days of referrals. However, as long as the Lead Contractor and Appliance Vendor complete their work within this period, we can treat Landscaping as a separate transaction if required, making things easier for Windsor and the Certification Agent.

**Q.17: How can all of this get done in one year?**

**A:** The timeline to accomplish the pilot is one year. Contractors who do not think they can service 2,000 customers will likely not apply or they will partner with other contractors. Certification Agents who do not believe they can provide all of the responsibilities to complete 2,000 will not submit bids.

The program team has spent more than one year to create an offer that works and the Program Design. Another three months will be spent on marketing, building a team committed to serving 2,000 customers in one year, and training everyone to work effectively together.

**Q.18: Can a landscaper also be the Lead Contractor?**

**A:** Yes, if you want to apply as both you can. Please submit proposals for each RFP and specify whether you will only consider fulfilling both roles or are willing to fill either role.

**Q.19: And if so, how can we keep the integrity of the program to ensure that they do quality ethical work?**

**A:** All proposals will be evaluated to ensure we will select reputable contractors. Also, the Certification Agent will be doing pre- and post-inspections of the work completed. This includes talking with the customer.

There is significant risk for any Contractor not maintaining its integrity and/or not doing quality ethical work. Contractors must be bonded or provide irrevocable letters of credit. They also agree to pay a penalty fee if the Certification Agent determines that they have failed to provide contracted services and to do high quality work. They also agree the bonding or irrevocable letter of credit they provide can be used to correct problems. The penalty fees, bonding, and irrevocable letter of credit ensure it will be too expensive for a contractor to become certified and fail.

**Q.20: It sounds like landscaping is the lead role? Is it?**

**A:** No, the Basic and Basic Plus measures are installed by the Lead Contractor. Landscaping is a secondary measure done only after the Basic measures are installed. Also, Basic measures must be installed for Basic Plus or Co-pay measures to be installed.

**Q.21: Do I need to partner with another company to have a successful proposal?**

**A:** No one is required to partner with another company if their proposal demonstrates that they can meet all of the responsibilities of the Lead Contractor, Appliance Vendor, or Landscape Contractor to 2,000 customers. Please note, it is possible there will only be one Lead Contractor (i.e., if the bidder with the higher price and/or shorter warranty will not match the initial selected bid) so it is important that every bidder for the Lead Contractor role demonstrate its capability to complete 2,000 jobs in one year. Since the target is to have an offer acceptance rate of 25-percent or higher, 8,000 customer contacts to meet the 2,000-job goal would be considered a success.

**Q.22: Can I partner?**

**A:** If you think you will be a stronger bidder with a partner, you are free to partner with another contractor performing the same services or different services. Two contractors offering the same services proposing to bid as partners will be treated as a single bid and they should only submit one bid with one contractor assuming the lead role. Two contractors proposing to bid as Lead Contractor and Landscape Contractor or Appliance Vendor must respond to each RFP and specify whether the bidders will participate only if their joint proposal is accepted or if either bidder is willing to participate separately.

**Q.23: All these roles are so specialized and take different expertise, how can we ensure success?**

**A:** Once all the players are chosen, there will be a team meeting to discuss joint strategies to implement the program. The purpose of the selection criteria is to create confidence that the roles will be filled by contractors with the skills, experience, and commitment required to ensure success.

**Q.24: How is this different than the County of Sonoma Water Savings Program?**

**A:** EEI, which is drafting these responses, is not familiar with the aforementioned program. We are familiar with utility rebate programs, Petaluma's Smart Yard program, and other utilities' direct-install programs. Compare these other approaches to the offer described above. Compare the utility costs for these programs to this pilot. Compare the targets. The offer, the utility costs, and the one-year targets represent the differences between these different program approaches.

**Q.25: Are you choosing only one contractor? Or are you creating a list of contractors?**

**A:** We are choosing at least one Lead Contractor, one Landscape Contractor and one Appliance Vendor for this program. To protect the pilot against one contractor becoming unavailable, we

may select two Lead and Landscaping contractors for the pilot, if the contractors with the higher bids are willing to match the low bidders. There will not be a list of contractors for customers to choose.

**Q.26: Is this program federally funded? Do Davis Bacon Act requirements apply?**

**A.** We believe Davis Bacon rules do not apply. No federal funding is being used to finance or pay for program measures or operations by Contractors, Windsor staff, or the Certification Agent. Actual measure installations are funded by private capital (from the Capital Provider).

Federal funds (ARRA money from the U.S. Department of Energy) were used to pay for program design (e.g. EEI's work) and some overall marketing (likely to be concluded by program start-up) and are available to support pilot evaluation — but none are for program measures or services.

**Q.27: Have you determined what effective payment terms are?**

**A.** We have determined payment durations for each measure. For example, customers will be paying for showerheads, aerators, toilets, and clothes washers over 10 years. Customers will pay for on-demand hot water recirculators and refrigerators over 5 years. Customers will pay for CFLs for 18 months or 2 years. Customers will pay for a Basic Landscape installation over 15 years. These are the shortest periods that would allow measures to qualify based on assumed water and sewer rates, interest rates, and measure savings, and measure and installation costs.

Customers must pay their surcharges or face disconnection. In the other demonstrations of the PAYS<sup>®</sup> system almost all customers have paid their charges for measures. With over eleven million invested in PAYS<sup>®</sup> measures, reported bad debt has been less than \$100.

**Q28: Are you going to interview everyone who submits a proposal?**

**A:** Not necessarily. Only the strongest proposals will get an interview.

We suggest that you also let us know if you are interested in being on an on-call list if you are not selected. As the program starts we might find that the contractor that we chose doesn't work out. Also, let us know if you have suggestions for Program Design, once you have reviewed it.

**Q29: Do you know the penetration of houses that already have aerators and showerheads?**

**A:** No. That is why we have chosen measures that will be cost effective even if customers have already installed water saving measures. The toilet we evaluated is cost effective even when replacing a toilet that uses only 1.6 gpf. The showerheads we have tested will use half the water of the typical low-flow showerhead. The aerators we have tested have lower and more reliable flow than previous low flow aerators.

**Q30: Who creates the warranty?**

**A:** You as the contractor need to tell us what your labor warranty is, and you need to include your warranty for each measure in your bid. In addition to quality contractors, we will evaluate price and warranty duration when evaluating proposals. The best possible warranty is a labor warranty with a term as long as the duration of the surcharges billed for each measure. For example, as noted above customers will be paying for showerheads, aerators, toilets, and clothes washers over 10 years — so a 10-year warranty would be ideal. Customers will pay for on-demand hot water recirculator pumps and refrigerators over 5 years — a 5-year warranty would be ideal. Contractors will pay for CFLs for 18 months or 2 years — a 2-year warranty would be ideal.

**Q31: Native plants do not have a 15-year life. They can die because of customer error. Is the landscaper responsible?**

**A:** The Customer Purchase Agreements makes clear that the customer and/or the building owner are responsible for any damage they cause. We recommend your warranty be clear that it does not cover customer or owner caused damage and that you provide clear operating and maintenance instructions to avoid “I did not know” claims.

The sheet mulching and drip irrigation system should have a 15-year life. The basic package will be better if the plantings you propose are as long lived as possible. When the program landscaper is selected, we can work on language that will meet a reasonable standard assuring customer savings for Basic Landscape packages and not bind the Landscape Contractor to unreasonable expectations.

It will be the Landscape Contractor’s responsibility to be clear about the warranty for plantings in its enhanced landscaping packages. Customers will be paying upfront for those plantings and there should not be a problem as long as they receive clear, written care and maintenance instructions and understand the length of the warranty for these additional plantings.

**Q32: Do you want us to only include the Basic Landscape package in our bid? Can we include the other additional options as well?**

**A:** The Basic Landscape package must be included. We need to know what you will provide for \$2.65 per square foot, the minimum area you can afford to treat, and what will be warranted for the 15 years. You are invited to enhance your proposal by demonstrating the enhanced landscaping package options and a different warranty for those items to create confidence in your ability to create a successful program and satisfied customers.

**Q33: When will we get the program design?**

**A:** You should receive an email copy during the first week in January. It will not be accompanied by all the attachments. Some of them are proprietary and will only be shared with the selected bidders after they sign an intellectual property agreement.

**Q34: Is it possible to get information on how this worked in Kansas?**

**A:** The program in Kansas was not a water utility program; in fact no water saving measures were included. However, to illustrate the power of an offer that works: Midwest Energy, a natural gas and electric cooperative utility, used a tariff with almost all of the essential PAYS<sup>®</sup> elements to promote the installation of resource efficiency measures, primarily in residential housing (How\$mart<sup>®</sup> program). Because the program required owners of rental housing to assume the risk of measure failure while all savings benefits accrued to tenants (i.e., landlords might pay and save nothing) Midwest Energy does not technically meet PAYS<sup>®</sup> system standards and is not licensed to use the trademark “PAYS<sup>®</sup>.”

As of August 1, 2011, How\$mart projects have been completed at 606 locations. Midwest Energy has invested more than \$3,409,950 in efficiency improvements (including program fees of \$148,286). These funds will be repaid by participating customers through the How\$mart tariff. The projects at 606 locations were implemented by 518 homeowners, 72 residential rental properties, and 16 commercial businesses. In order to qualify installation of additional measures that would not qualify for the tariff, customers paid an additional \$922,042, making participants' average project size \$7,148.50. Homeowners completed 15 How\$mart geothermal loop projects. Although Midwest offers no rebates or other incentives besides the tariff, to date, only 547 customers, less than half of all customers making decisions on projects, declined to implement retrofits. Midwest is awaiting customer decisions or contractor bids on an additional 187 projects. Measures include new heating systems, geothermal loop projects, air sealing, and insulation. Portable measures (e.g., refrigerators and CFLs) are not included in How\$mart. Demand for participation continues to exceed available funding. The Kansas Corporations Commission denied Midwest Energy's request to increase the capital available to install measures and Efficiency Kansas (EK) funding from U.S. Department of Energy stimulus funding is winding down.

**Q.35: Who is on the selection committee?**

Who is making the decision on the selection of the contractor and reading the proposals?

**A:** A representative from the Town of Windsor and RCPA: at this point Mike Sandler and Paul Piazza will be the selection committee. They may choose to add additional people with specific expertise to help select bidders for one or more RFPs. EEI will act as advisor through the process.

**Q.36: What are the selection criteria?**

Q36a. For landscaping, what are you looking for in a solid proposal?

**A:** The criteria are detailed on page 9 of the Lead (Core Measures) Contractor RFP, page 10 of the Landscape Contractors RFP, and page 10 of the Appliance Vendors RFP. Additional information is in the responses to questions 22, 29, 30, and 31.

**Q.37: What is the maximum square feet of turf Windsor is willing to do?**

**A:** At this time, that question cannot be answered. The answer will depend on the new rates being proposed and whether Windsor's rate specialist develops a higher rate that applies to the larger summer irrigators and a higher rebate based on EEI's recommendations. Windsor believes it can make available over \$200,000 in rebates from its available budget but until we have these other numbers, we cannot calculate how many square feet of Basic Landscaping that amount will fund.

**Q.38: Can you clarify the interface between the Lead Contractor and the Landscape Contractor?**

**A:** The two contractors will work as a team. The Lead Contractor gives the assigned Landscape Contractor qualified leads for customers who have indicated an interest in the landscaping offer. Things will work best if landscaping can be completed within 10 days of completion by the Lead Contractor. However, if necessary, we will just have a second project at that address. Additional information is in the Program Design.

**Q.39: If I am a landscaper and I apply as a part of a team with a lead contractor, will you want to break up the team if you notice one of us is stronger than the other?**

**A:** If you apply as a team, your proposal will be treated as a package together unless either of you specifies that you will accept work separately, at which point the separate proposal would stand on its own merits.

**Q.40: Since the Program Design is not released yet, where can I find information about the role of the Certification Agent?**

**A:** Please read the Certification Agent RFP available on the website at [www.sctainfo.org](http://www.sctainfo.org). We anticipate the Program Design being available the first week of January 2012.

**Q. 41: Do flanges and angle stops always need to be replaced as implied in the Core Measures Contractor RFP, PG. 19 Attachment D, last sentence of the first paragraph.**

This will be decided in conjunction with the selected Lead Contractor(s) at a later date. EEI's initial recommendation is that it will depend on the length of the offered warranty. If the warranty is long enough, EEI will recommend leaving the decision up to the Lead Contractor because the market will decide how often to replace flanges and angle stops. If, however, the

selected Lead Contractor's parts and labor warranty period is shorter than hoped for, EEI will recommend replacement be required since payments must be collected over a 10 year period and it will be better to replace ancillary parts rather than have them fail during the term of the surcharge.

**Q.42: Is there a high percentage of Spanish-speaking people in the community? Will materials be prepared in English only or another language, too?**

A. See attached Windsor Demographics PDF attachment. The marketing, education, and outreach plan will target Spanish-speaking residents. At this time, it is not known if Agreements will be bilingual.

**Q.43: We were looking at the Core Measure Contractor RFP as we are licensed plumbers and do these types of utility direct-install programs. We thought the appliance replacements and even the landscape program were within our capabilities. Would we need to submit separate bids for the contractor work outside of the Lead Contractor's RFP?**

A. Lead Contractors must provide all required services, customer education data management, etc., and install all measures including identifying and installing all CFLs eligible for replacement. Appliance Vendors need to be both Appliance Suppliers and Certified Contractors. Landscapers have a completely different set of responsibilities. If you can perform all functions as described in the soon to be released Program Design, you can apply for all three roles. Please specify in your proposals if you will only consider fulfilling all roles, only two roles (and which combinations), or any role. Additionally, please note that you will need to fill out and submit proposals for all three RFPs. The RFPs are available at <http://www.sctainfo.org/rfp.htm>.

# **Attachment 1: Certification Agent Inspection Checklist**

## **Windsor Efficiency PAYS<sup>®</sup> Certification Agent Inspection Checklist Agreements, Forms, Referrals, Other**

### **Pre-Work Authorization Checklist**

#### Agreements & Forms

1. Signed Purchase Agreement (Additional Agreements if customer purchases Landscaping and Appliance Co-Payment measures)
2. Signed Owner Agreement if customer is not building owner
3. Signed and initialed Customer Initial form
4. Signed Customer Input form
5. Data Sheet filled in as much as possible

#### Verified Items

1. Customer is a Windsor customer and authorized to sign Agreements and Forms and understands consequences of misrepresenting this information
2. Customer is building owner or Owner Agreement is attached and, if owner, understands consequences of failure to give Disclosure Form to new occupant (buyer or tenant)
3. Customer understands no upfront payment but surcharges until all costs recovered
4. Customer understands if measures fail to contact Certification Agent and if Certification Agent is no longer working, to call Windsor to avoid payments
5. Usage customer reported used to qualify measures and consequences if low or high
6. Customer understands implications of up to half of savings on PG&E bills
7. Failure to pay can result in disconnection, credit and collection, etc.
8. Customer charged correct program fee (not more than \$150 per home)
9. Customer understands relationship of contractor, Certification Agent, Windsor
10. Customer offered opportunity to call and schedule visits from other assigned contractors
11. Customer understands upfront co-payments not impacted by measure failure or relocation
12. Customer understands all benefits of participation (improved cash flow, risk free contracting, lower future rate increases for all customers, part of bigger state and county wide green effort)
13. Customer knows when and how to contact Certification Agent

#### Referrals

1. Customer acknowledges referrals to EUC and other contractors

## **Post- Work Inspection List**

### Agreements & Forms

1. Invoice from all contractors seeking payment [NOTE: Distributors, Certification Agent and Windsor need not supply invoices]
2. Signed Customer Work Acceptance Forms (if customer purchases Landscaping and Appliance Co-Pay measures multiple forms may be required)
3. Completed Data Sheet

### Verified Items

1. Customer is customer at location and authorized to accept work
2. If customer did not sign Customer Work Acceptance form, the reasons for not signing
3. Customer received warranty materials and usage instructions
4. Have measures been used and do they appear to work acceptably
- 5 [NOTE: Ask identifying questions to] verify installed measures were correct items
6. Phone number stickers or magnets were on appliances identifying who customers should call in the event of problems

### Referrals

1. Customer acknowledges referrals to EUC
2. Customer given the "30 second" description of EUC programs and handout
3. Customer told if planning purchase of a new space or water heating or cooling or solar system they have to be foolish not to investigate the program and generous rebates
4. If planning purchase, customer given list of EUC contractors to contact

# Attachment 2: Town of Windsor Financial Information

## Town of Windsor Financial Information

The following is offered in support of the Windsor Efficiency PAYS® Capital Provider Request for Proposals.

1. The fiscal year-end audited financial statements for the Town of Windsor.

*The Town Financial Statements for the years ending 06/30/08, 06/30/09, 06/30/10 are a matter of public record and posted here: <http://www.townofwindsor.com/index.aspx?nid=160>*

*Audited financials through 6/30/11 are expected to be final in January.*

2. The fiscal year-end 06/30/12 and 06/30/13 proposed operating budget for the Town of Windsor.

*The Town's 2011/2012 and 2012/2013 budgets (as well as 2010-2011) are here: <http://www.townofwindsor.com/index.aspx?nid=159>. They are inaccurately identified as 'proposed'; the Town Resolution available here shows them as adopted 6/22/11: <http://www.townofwindsor.com/DocumentView.aspx?DID=5383>*

3. Any municipal bond rating that exists for the Town of Windsor.

*The Town of Windsor's Municipal Bond Rating is "AA"  
(See Attached Standard & Poor's Municipal Bond Rating)*

4. Disclosure of any contingent or unfunded liabilities of the Town of Windsor (such as unfunded pension liabilities, lawsuits, etc.).

*The Town of Windsor has minimal unfunded liabilities; these will be detailed in the Audited financials through 6/30/11 when that is finalized in January.*

5. Information regarding the default rates on consumer payments to the Town of Windsor water utility.

	Enterprise Receivable	Bad Debt Written Off	Bad Debt Recovered	Percent of Bad Debt Recovery	Percent of Bad Debt vs. Enterprise
2009	\$ 13,686,865.76	\$ 22,846.09	\$ 1,925.81	8.43%	0.15%
2010	\$ 13,803,092.86	\$ 47,458.42	\$ 10,419.79	21.96%	0.27%
2011	\$ 14,308,354.61	\$ 76,013.61	\$ 6,520.54	8.58%	0.49%

## **Attachment 3: Town of Windsor S&P Bond Rating**

**STANDARD  
& POOR'S**

One Market  
Steuart Tower, 15th Floor  
San Francisco, CA 94105-1000  
tel 415 371-5000  
reference no.: 40242731

August 11, 2011

Town of Windsor  
9291 Old Redwood Highway  
P.O. Box 100  
Windsor, CA 95492  
Attention: Mr. Matthew Mullan, Town Manager

Re: *Town of Windsor, California, Lease Revenue Bonds*

Dear Mr. Mullan:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have affirmed the "AA" rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at [nypublicfinance@standardandpoors.com](mailto:nypublicfinance@standardandpoors.com). For more information on Standard & Poor's, please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). We appreciate the opportunity to work with you and we look forward to working with you again

Sincerely yours,



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a Standard & Poor's Financial Services LLC business.

tw  
enclosure



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Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar

investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

August 11, 2011

**Summary:**

**Windsor Joint Powers Financing  
Authority, California  
Windsor; Appropriations**

**Primary Credit Analyst:**

Louis F Louis, New York (1) 212-438-2054; louis\_louis@standardandpoors.com

**Secondary Contact:**

Chris Morgan, San Francisco (1) 415-371-5032; chris\_morgan@standardandpoors.com

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Rationale

Outlook

Related Criteria And Research

## Summary:

# Windsor Joint Powers Financing Authority, California Windsor; Appropriations

## Credit Profile

### Windsor Jt Pwrs Fing Auth, California

Windsor, California

Windsor Jt Pwrs Fing Auth (Windsor) lse rev bnds ser 2008

Long Term Rating

AA/Stable

Affirmed

## Rationale

Standard & Poor's Ratings Services affirmed its 'AA' long-term rating on Windsor Joint Powers Financing Authority, Calif.'s (Windsor) \$8.4 million series 2008 lease revenue bonds. The outlook is stable.

The city's credit strengths include our opinion of its:

- Economic base that shows very strong income and wealth characteristics;
- Record of maintaining a very strong available general fund balance;
- Good financial policies and practices, including 25%-of-expenditures minimum balance threshold; and
- Low debt burden relative to market value.

A covenant to budget and appropriate lease payments for the use of a fire station that is completed secures the bonds. Legal provisions include the right to abate lease payments in the event that the facility cannot be used, coupled with a requirement for the town to maintain 24 months of business interruption insurance. The project was completed in September 2009.

Located 64 miles north of San Francisco in Sonoma County's wine country, the town serves as a commuter base for the north-south Highway 101 corridor and a supply and storage center for the surrounding viticulture industry. The town's population has grown 15.2% since the last census in 2000 to 26,207 in 2011. Assessed value has declined by 9.9% since fiscal 2008 to \$3.1 billion in fiscal 2011. Economic indicators within the town are generally favorable, with, in our view, a very strong median household effective buying income of 149% of the U.S. level, an extremely strong per capita market value of \$119,141, and an 8.4% unemployment rate that is slightly below the 9.2% national rate.

In our opinion, a key fiscal strength for the town of Windsor is a management policy to maintain a balance budget and to retain at least 25% of expenditures as reserves. They make adjustments to keep revenue estimates in line with expenditures. In order to achieve their goals in difficult state and local economies, the town's 2009-2011 biennium budget included reductions in all line item expenditures, including part-time, temporary, and seasonal staffing, professional consulting services, travel and training, and capital outlays. The fiscal 2010 budget finished with unreserved general fund balance of \$9,201 or, in our view, a very strong 93.3% of expenditures. To balance the

2011-2013 biennial budget, personnel services costs were reduced by 5.9% through negotiations with the town's three employee groups. The negotiated reductions are over \$920,000 for the two-year period. The town laid off two employees and left two other unfilled positions vacant due to a reduction in workload and related revenues. Another employee is slated to be laid off in July 2012. The 2011-2013 biennium budget indicates uncommitted funds of approximately 51%, not including the 25% required ending fund balance, which would bring available funds to approximately 76%, a figure we consider very strong.

Combined direct and overlapping debt supported by town taxpayers translates into, in our view, a low 2.4% of market value and a moderate \$2,904 per capita, though the town's strong income profile substantially offsets this latter figure. The town employs legally available tax increment revenues to support debt service on the series 2008 bonds.

The town's management practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of "good" indicates that practices exist in most areas, although not all may be formalized or regularly monitored by governance officials. Components include employing a third-party tax consultant and using internal trend analyses to drive budgetary assumptions in the context of a minimum 25%-of-expenditures general fund balance policy to cushion against economic downturns and catastrophic events. Management reports to council quarterly on compliance with an internal investments policy, and the budget process includes an update to a comprehensive five-year capital plan that identifies funding sources. Not present is a formal debt management policy or long-term financial planning tool, though the latter is under development for the fiscal 2010-2011 biennium.

The town participates in the California Public Employees Retirement System. For the fiscal year ended June 30, 2010, the town's annual pension cost was \$735,332. This amount was 100% paid. The town's unfunded actuarial accrued liability as of June 30, 2010, was \$446,000. The town funds its other post-employment benefits obligation on a pay-as-you-go basis.

## Outlook

The stable outlook reflects our opinion of the town's record of maintaining strong reserves and showing conservative budgeting as it enters into what could be a period of slowing revenue growth due to weakness in the housing market. We expect its flexible operating structure, limited capital needs, and substantial capital reserve support a continuation of this pattern.

## Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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**Attachment 4: Windsor Demographics**



Windsor Town, CA  
 Windsor town, CA (0685922)  
 Geography: Place

	2000 Total Population	22,744
	2000 Group Quarters	91
	2009 Total Population	25,612
	2014 Total Population	26,584
	2009 - 2014 Annual Rate	0.75%
	2000 Households	7,589
	2000 Average Household Size	2.98
	2009 Households	8,550
	2009 Average Household Size	2.98
	2014 Households	8,861
	2014 Average Household Size	2.99
	2009 - 2014 Annual Rate	0.72%
	2000 Families	5,778
	2000 Average Family Size	3.4
	2009 Families	6,452
	2009 Average Family Size	3.4
	2014 Families	6,666
	2014 Average Family Size	3.41
	2009 - 2014 Annual Rate	0.65%
	<b>2000 Housing Units</b>	7,728
	Owner Occupied Housing Units	79.0%
	Renter Occupied Housing Units	19.2%
	Vacant Housing Units	1.8%
	<b>2009 Housing Units</b>	8,990
	Owner Occupied Housing Units	74.6%
	Renter Occupied Housing Units	20.5%
	Vacant Housing Units	4.9%
	<b>2014 Housing Units</b>	9,279
	Owner Occupied Housing Units	78.3%
	Renter Occupied Housing Units	17.2%
	Vacant Housing Units	4.5%
	<b>Median Household Income</b>	
	2000	\$62,781
	2009	\$77,837
	2014	\$83,902
	<b>Median Home Value</b>	
	2000	\$257,065
	2009	\$379,285
	2014	\$428,168
	<b>Per Capita Income</b>	
	2000	\$24,336
	2009	\$31,971
	2014	\$33,172
	<b>Median Age</b>	
	2000	35.2
	2009	36.8
	2014	36.8

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place



**2000 Households by Income**

Household Income Base	7,666
< \$15,000	8.2%
\$15,000 - \$24,999	7.0%
\$25,000 - \$34,999	8.9%
\$35,000 - \$49,999	13.9%
\$50,000 - \$74,999	22.6%
\$75,000 - \$99,999	17.6%
\$100,000 - \$149,999	15.6%
\$150,000 - \$199,999	3.6%
\$200,000+	2.7%
Average Household Income	\$71,773

**2009 Households by Income**

Household Income Base	8,550
< \$15,000	6.5%
\$15,000 - \$24,999	4.2%
\$25,000 - \$34,999	6.1%
\$35,000 - \$49,999	9.3%
\$50,000 - \$74,999	22.0%
\$75,000 - \$99,999	13.3%
\$100,000 - \$149,999	27.0%
\$150,000 - \$199,999	6.5%
\$200,000+	5.2%
Average Household Income	\$94,749

**2014 Households by Income**

Household Income Base	8,863
< \$15,000	6.0%
\$15,000 - \$24,999	3.8%
\$25,000 - \$34,999	5.2%
\$35,000 - \$49,999	9.4%
\$50,000 - \$74,999	17.5%
\$75,000 - \$99,999	18.2%
\$100,000 - \$149,999	27.6%
\$150,000 - \$199,999	6.6%
\$200,000+	5.5%
Average Household Income	\$98,414

**2000 Owner Occupied HUs by Value**

Total	6,133
<\$50,000	6.8%
\$50,000 - 99,999	4.1%
\$100,000 - 149,999	2.9%
\$150,000 - 199,999	9.7%
\$200,000 - \$299,999	45.2%
\$300,000 - 499,999	29.2%
\$500,000 - 999,999	1.6%
\$1,000,000+	0.5%
Average Home Value	\$264,588

**2000 Specified Renter Occupied HUs by Contract Rent**

Total	1,461
With Cash Rent	96.0%
No Cash Rent	4.0%
Median Rent	\$808
Average Rent	\$796

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied Housing Units exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place



**2000 Population by Age**

Total	22,744
Age 0 - 4	8.0%
Age 5 - 9	9.4%
Age 10 - 14	8.8%
Age 15 - 19	7.1%
Age 20 - 24	4.0%
Age 25 - 34	12.3%
Age 35 - 44	19.5%
Age 45 - 54	13.2%
Age 55 - 64	6.5%
Age 65 - 74	5.6%
Age 75 - 84	4.2%
Age 85+	1.3%
Age 18+	69.2%

**2009 Population by Age**

Total	25,610
Age 0 - 4	7.5%
Age 5 - 9	7.8%
Age 10 - 14	8.2%
Age 15 - 19	7.7%
Age 20 - 24	5.1%
Age 25 - 34	11.2%
Age 35 - 44	14.9%
Age 45 - 54	16.3%
Age 55 - 64	10.7%
Age 65 - 74	5.4%
Age 75 - 84	3.7%
Age 85+	1.6%
Age 18+	71.5%

**2014 Population by Age**

Total	26,581
Age 0 - 4	7.4%
Age 5 - 9	7.7%
Age 10 - 14	7.9%
Age 15 - 19	7.0%
Age 20 - 24	5.5%
Age 25 - 34	12.1%
Age 35 - 44	13.4%
Age 45 - 54	15.0%
Age 55 - 64	12.1%
Age 65 - 74	7.0%
Age 75 - 84	3.4%
Age 85+	1.5%
Age 18+	72.3%

**2000 Population by Sex**

Males	49.1%
Females	50.9%

**2009 Population by Sex**

Males	49.4%
Females	50.6%

**2014 Population by Sex**

Males	49.4%
Females	50.6%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place



**2000 Population by Race/Ethnicity**

Total	22,744
White Alone	79.0%
Black Alone	0.8%
American Indian Alone	1.5%
Asian or Pacific Islander Alone	2.4%
Some Other Race Alone	12.4%
Two or More Races	3.9%
Hispanic Origin	23.6%
Diversity Index	60.0

**2009 Population by Race/Ethnicity**

Total	25,612
White Alone	73.0%
Black Alone	0.8%
American Indian Alone	1.5%
Asian or Pacific Islander Alone	2.8%
Some Other Race Alone	16.3%
Two or More Races	5.5%
Hispanic Origin	30.9%
Diversity Index	69.4

**2014 Population by Race/Ethnicity**

Total	26,585
White Alone	69.4%
Black Alone	0.9%
American Indian Alone	1.5%
Asian or Pacific Islander Alone	3.1%
Some Other Race Alone	18.7%
Two or More Races	6.5%
Hispanic Origin	35.2%
Diversity Index	73.8



**2000 Population 3+ by School Enrollment**

Total	21,972
Enrolled in Nursery/Preschool	1.9%
Enrolled in Kindergarten	1.8%
Enrolled in Grade 1-8	15.1%
Enrolled in Grade 9-12	6.7%
Enrolled in College	5.6%
Enrolled in Grad/Prof School	0.8%
Not Enrolled in School	68.1%

**2009 Population 25+ by Educational Attainment**

Total	16,308
Less than 9th Grade	7.9%
9th - 12th Grade, No Diploma	7.5%
High School Graduate	22.4%
Some College, No Degree	25.4%
Associate Degree	9.3%
Bachelor's Degree	19.0%
Graduate/Professional Degree	8.4%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place



**2009 Population 15+ by Marital Status**

Total	19,585
Never Married	24.3%
Married	59.5%
Widowed	5.6%
Divorced	10.5%



**2000 Population 16+ by Employment Status**

Total	16,698
In Labor Force	69.5%
Civilian Employed	67.1%
Civilian Unemployed	2.4%
In Armed Forces	0.0%
Not in Labor Force	30.5%

**2009 Civilian Population 16+ in Labor Force**

Civilian Employed	88.9%
Civilian Unemployed	11.1%

**2014 Civilian Population 16+ in Labor Force**

Civilian Employed	92.0%
Civilian Unemployed	8.0%

**2000 Females 16+ by Employment Status and Age of Children**

Total	8,510
Own Children < 6 Only	8.4%
Employed/in Armed Forces	4.7%
Unemployed	0.5%
Not in Labor Force	3.3%
Own Children < 6 and 6-17 Only	8.4%
Employed/in Armed Forces	5.5%
Unemployed	0.0%
Not in Labor Force	2.9%
Own Children 6-17 Only	23.7%
Employed/in Armed Forces	18.4%
Unemployed	0.5%
Not in Labor Force	4.8%
No Own Children < 18	59.4%
Employed/in Armed Forces	31.5%
Unemployed	1.1%
Not in Labor Force	26.8%



**2009 Employed Population 16+ by Industry**

Total	11,432
Agriculture/Mining	2.9%
Construction	9.3%
Manufacturing	10.2%
Wholesale Trade	2.8%
Retail Trade	11.5%
Transportation/Utilities	5.3%
Information	1.6%
Finance/Insurance/Real Estate	7.8%
Services	43.6%
Public Administration	5.1%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place

**2009 Employed Population 16+ by Occupation**

Total	11,431
White Collar	60.9%
Management/Business/Financial	14.0%
Professional	21.8%
Sales	10.7%
Administrative Support	14.5%
Services	15.9%
Blue Collar	23.1%
Farming/Forestry/Fishing	2.0%
Construction/Extraction	7.6%
Installation/Maintenance/Repair	4.1%
Production	4.6%
Transportation/Material Moving	4.9%



**2000 Workers 16+ by Means of Transportation to Work**

Total	10,966
Drove Alone - Car, Truck, or Van	79.0%
Carpooled - Car, Truck, or Van	13.0%
Public Transportation	0.9%
Walked	2.4%
Other Means	1.3%
Worked at Home	3.4%

**2000 Workers 16+ by Travel Time to Work**

Total	10,966
Did Not Work at Home	96.6%
Less than 5 minutes	2.9%
5 to 9 minutes	8.3%
10 to 19 minutes	29.2%
20 to 24 minutes	18.3%
25 to 34 minutes	19.7%
35 to 44 minutes	5.3%
45 to 59 minutes	4.7%
60 to 89 minutes	4.7%
90 or more minutes	3.5%
Worked at Home	3.4%
Average Travel Time to Work (in min)	26.0

**2000 Households by Vehicles Available**

Total	7,603
None	5.8%
1	24.9%
2	44.3%
3	18.0%
4	5.2%
5+	1.8%
Average Number of Vehicles Available	2.0

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Windsor Town, CA  
Windsor town, CA (0685922)  
Geography: Place



**2000 Households by Type**

Total	7,589
Family Households	76.1%
Married-couple Family	63.8%
With Related Children	37.4%
Other Family (No Spouse)	12.3%
With Related Children	8.3%
Nonfamily Households	23.9%
Householder Living Alone	18.6%
Householder Not Living Alone	5.2%
Households with Related Children	45.6%
Households with Persons 65+	24.0%

**2000 Households by Size**

Total	7,589
1 Person Household	18.6%
2 Person Household	30.1%
3 Person Household	16.4%
4 Person Household	18.8%
5 Person Household	9.4%
6 Person Household	3.7%
7+ Person Household	3.0%

**2000 Households by Year Householder Moved In**

Total	7,603
Moved in 1999 to March 2000	15.3%
Moved in 1995 to 1998	36.7%
Moved in 1990 to 1994	26.3%
Moved in 1980 to 1989	15.7%
Moved in 1970 to 1979	3.9%
Moved in 1969 or Earlier	2.0%
Median Year Householder Moved In	1995



**2000 Housing Units by Units in Structure**

Total	7,736
1, Detached	76.8%
1, Attached	5.9%
2	0.6%
3 or 4	1.6%
5 to 9	1.1%
10 to 19	0.2%
20+	3.1%
Mobile Home	9.4%
Other	1.2%

**2000 Housing Units by Year Structure Built**

Total	7,736
1999 to March 2000	3.0%
1995 to 1998	13.6%
1990 to 1994	32.2%
1980 to 1989	28.3%
1970 to 1979	13.8%
1969 or Earlier	9.1%
Median Year Structure Built	1990


Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.



Windsor Town, CA  
 Windsor town, CA (0685922)  
 Geography: Place

Top 3 Tapestry Segments

1. Urban Chic
2. Up and Coming Families
3. Sophisticated Squires

 **2009 Consumer Spending** shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Apparel & Services: Total \$	\$19,723,996
Average Spent	\$2,306.90
Spending Potential Index	92
Computers & Accessories: Total \$	\$2,669,730
Average Spent	\$312.25
Spending Potential Index	137
Education: Total \$	\$14,127,531
Average Spent	\$1,652.34
Spending Potential Index	132
Entertainment/Recreation: Total \$	\$37,597,666
Average Spent	\$4,397.39
Spending Potential Index	136
Food at Home: Total \$	\$49,391,171
Average Spent	\$5,776.75
Spending Potential Index	127
Food Away from Home: Total \$	\$36,852,951
Average Spent	\$4,310.29
Spending Potential Index	130
Health Care: Total \$	\$40,844,480
Average Spent	\$4,777.13
Spending Potential Index	127
HH Furnishings & Equipment: Total \$	\$23,474,146
Average Spent	\$2,745.51
Spending Potential Index	126
Investments: Total \$	\$18,055,306
Average Spent	\$2,111.73
Spending Potential Index	147
Retail Goods: Total \$	\$282,358,846
Average Spent	\$33,024.43
Spending Potential Index	128
Shelter: Total \$	\$184,553,951
Average Spent	\$21,585.26
Spending Potential Index	138
TV/Video/Sound Equipment: Total \$	\$13,280,091
Average Spent	\$1,553.23
Spending Potential Index	128
Travel: Total \$	\$22,665,308
Average Spent	\$2,650.91
Spending Potential Index	144
Vehicle Maintenance & Repairs: Total \$	\$10,647,871
Average Spent	\$1,245.37
Spending Potential Index	133

**Data Note:** The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI.

**Attachment 5: Windsor Water Master Plan – Residential Gallons  
per person per day**

### Future Average Day Demand

Demand projection for the future ADD is shown in **Table 2-2**. These demands were established by identifying the net difference in growth among all the primary land use categories, multiplying the demand factor by the land use acreage, and adding this total to the current demand estimates.

**Table 2-2: Future Average Day Demand Summary**

<b>Demand Category</b>	<b>Demand (mgd)</b>
Residential	4.67
Commercial	0.71
Public/Institutional	0.04
Industrial	0.70
<b>Subtotal Average Day Water Demand</b>	<b>6.12</b>
Unaccounted for Water (7 percent)-Applied to Future Demand Only	0.24
<b>Total Average Day Water Demand</b>	<b>6.36</b>

The total future water demand includes an amount for unaccounted water. A discussion regarding unaccounted for water is provided below.

### Unaccounted-for Water Usage

Unaccounted for Water is any water that is not metered during production due to meter inaccuracy, water that is unavailable to meet demand due to leaks, illegal connections, or bypasses. The exact quantity of this water is difficult to measure and is often accounted for as a percentage of the total required demand. Typically, this percentage can range from 2-10 percent where 2 percent might be used for fairly new, well maintained distribution system and conversely the higher end of the range might be assigned for water systems that are aging and not well maintained.

For this analysis, an unaccounted water usage of 7 percent was used because although a large portion of the Town's water system is fairly new, a well defined maintenance plan has not been fully implemented and portions of the water system are showing signs of aging. This percentage was verified by comparing the total production data to the billing data for the year 2005.

### **2.2.3 Water Demands by Land Use Category Summary**

While total current and future average day demands were estimated using the available data as previously outlined, it is also important to understand the breakdown of water use among various types of users including: residential, commercial, industrial, and public/institutional.

### Residential Water Demand

As discussed previously, the current residential demand was obtained from adjusting the available water billing information to the assumed ADD of 4.0mgd. To estimate future water demand, defining a unit water demand factor was necessary. The unit water demand factor is the average dwelling unit (DU) water demand typically expressed in gallons per day per dwelling unit (gpd/DU). To develop unit demand factors for residential customers, it was assumed that summing the demand for all of the residential designations in the Town's billing database would result in a calculated total demand that would include all densities, from very low through high. With this assumption in place, the calculated total residential water consumption for customers that had a residential designation was divided by the number of days in the year (365 days) to determine the total average day residential water usage.

The total residential water demand found in the billing data was **2.9 mgd** (inclusive of the global demand factor of 1.12 discussed above). This value will form the basis for checking unit demands factors to ensure that they are in reasonably good agreement with billing data.

The total residential demand calculated from the Town's billing database is 2.9 mgd. Dividing this number by a total current population of 26,432, the average per capita demand is calculated to be 110 gpd/capita. The average number of occupants per dwelling unit is assumed to be 2.9, based on the State Department of Finance demographic data. With an assumed average household occupancy of 2.9 persons per DU, the average household water use is estimated to be **319 gpd/DU** (110 gpd/capita \* 2.9 capita/DU).

Future residential demands were determined by multiplying the net future acreages by the assumed DU densities (DU/acre) to determine the number of future dwelling units, and then by the water demand factor (319 gpd/DU). Using this demand factor, the projected future residential water demands are estimated as shown in **Table 2-3**.

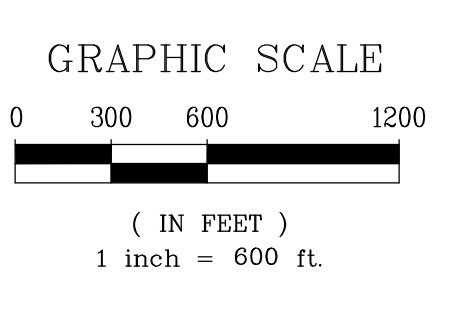
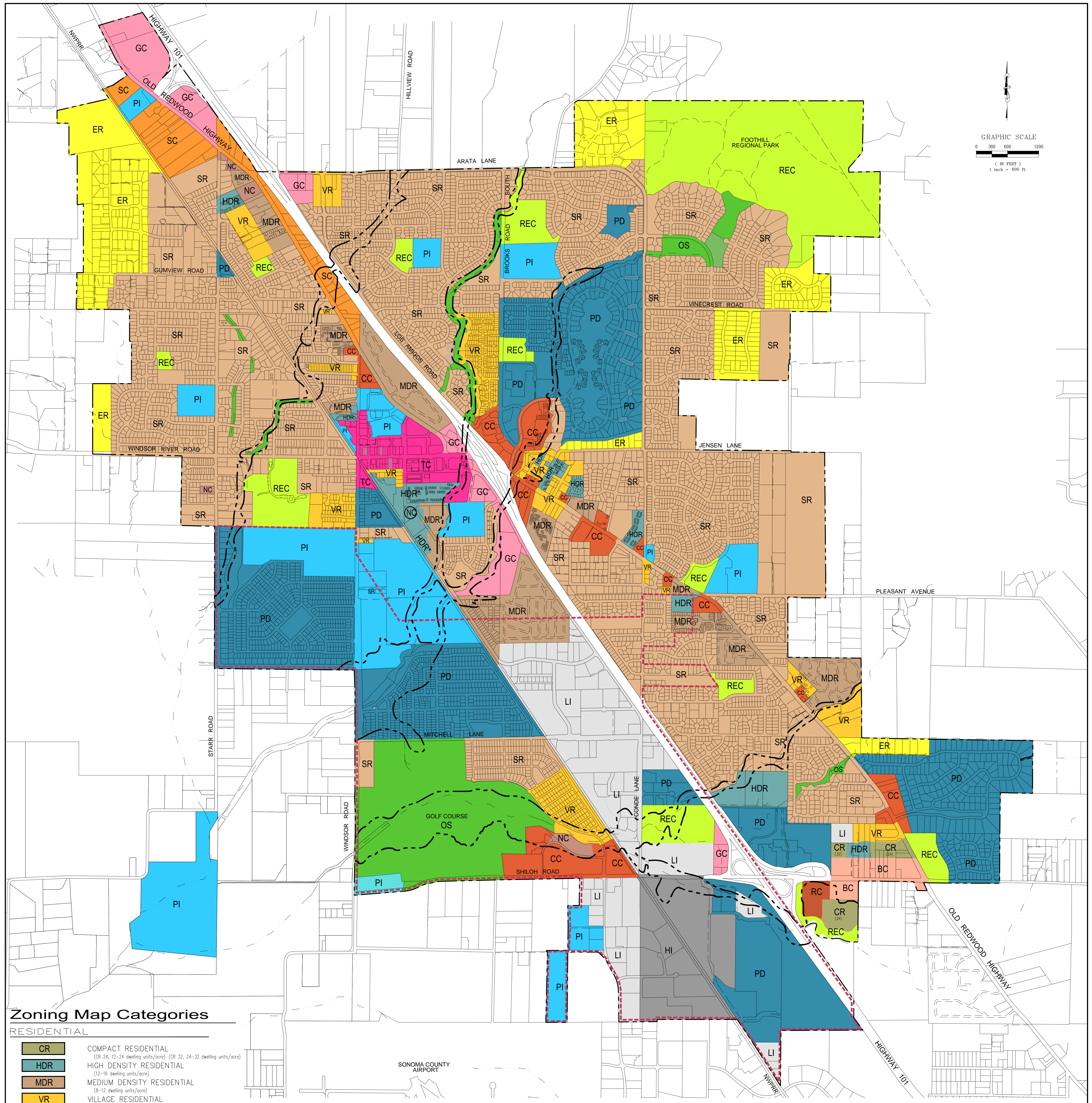
**Table 2-3: Future Residential Land Use Demand**

Combined Categories for WMP	Net Future Acres	DU/Acre	No. of DUs	Demand Factor (gpd/DU)	Water Demand (gpd)	Water Demand (mgd)
High Density	40	22.0	880	319	280,720	0.28
Medium Density	181	9.8	1774	319	565,842	0.56
Medium Low Density	429	5.3	2274	319	725,310	0.72
Low Density	245	1.6	392	319	125,048	0.13
Very Low Density	0	0.1	0	319	0	0
Shiloh and Mayacama Service Area	532	Varies	78	Varies	75,951	0.08
Airport Area	18	Varies	287	Varies	2,119	0.002
<b>Net Future Residential Demand:</b>					<b>1,774,991</b>	<b>1.77</b>
<b>Current Residential Demand:</b>					<b>2,900,000</b>	<b>2.90</b>
<b>Total Future Residential Demand:</b>					<b>4,674,991</b>	<b>4.67</b>

### Commercial Water Demands

The commercial unit demand factor was calculated so that the total commercial demand matched 0.06 mgd or the total billing data for non-residential total of 1.1 mgd minus the sum of (1) total industrial demand (0.61 mgd), (2) total public/institutional demand (0.03 mgd), and (3) Large users demand (0.40 mgd). Therefore, the demand factor for commercial land uses was calculated for current users to be 400 gpd/acre. At that level, when the commercial demand is added to the other non residential demand, it matches the assumed total non residential demand of approximately 1.1 mgd. The "Top 10 Water Users" are included in the commercial total and are summarized below. To be conservative, however, and consistent with typical

**Attachment 6: Windsor Zoning Map**



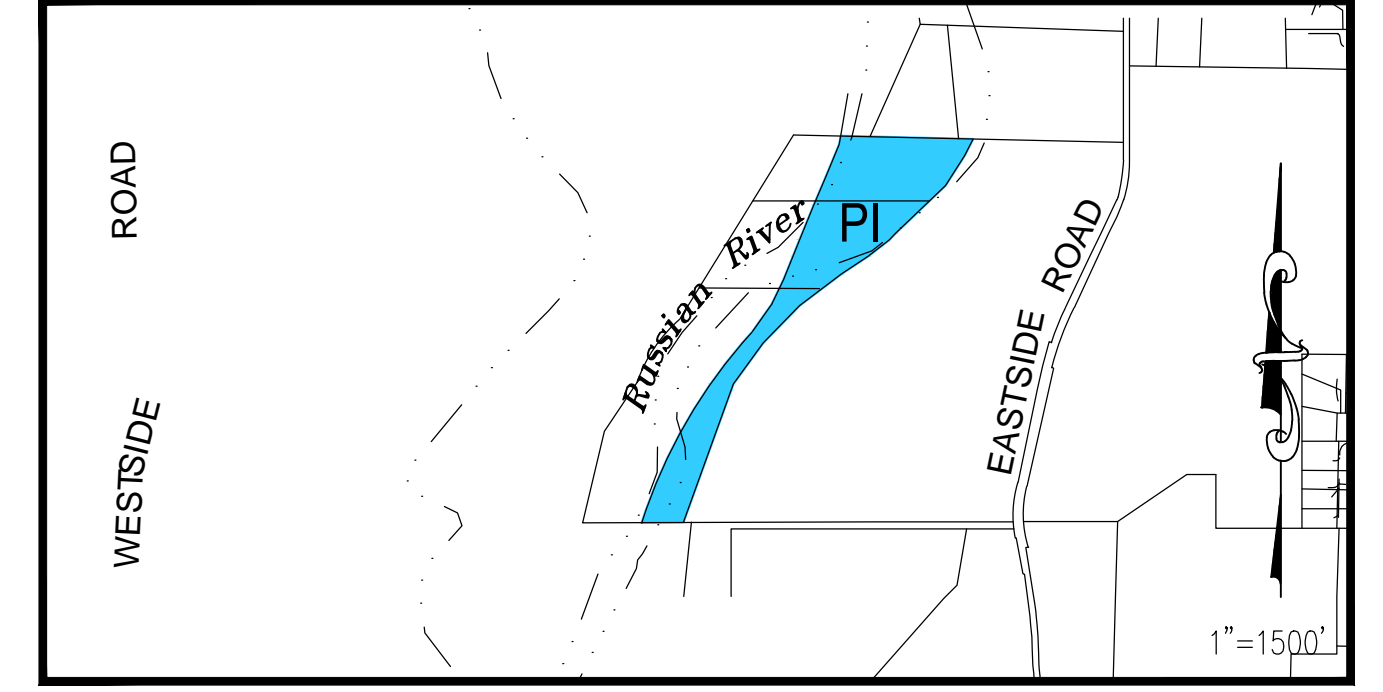
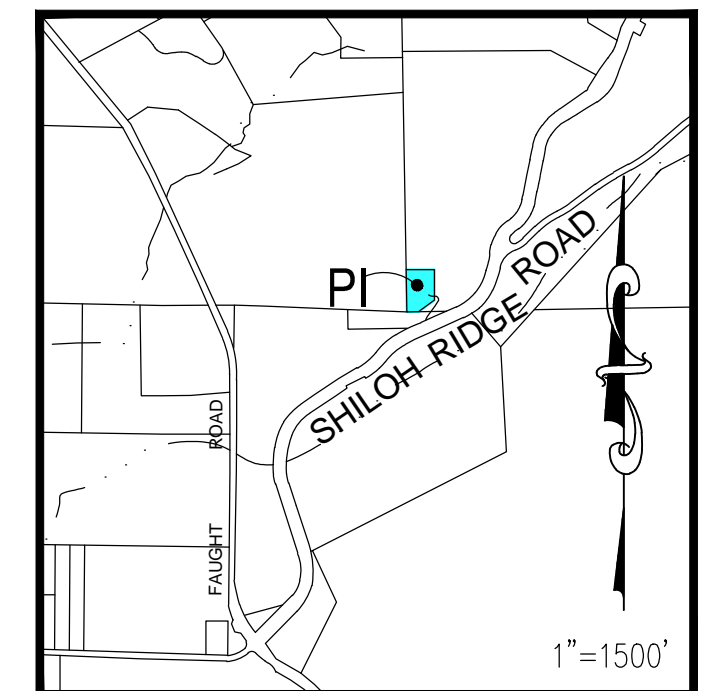
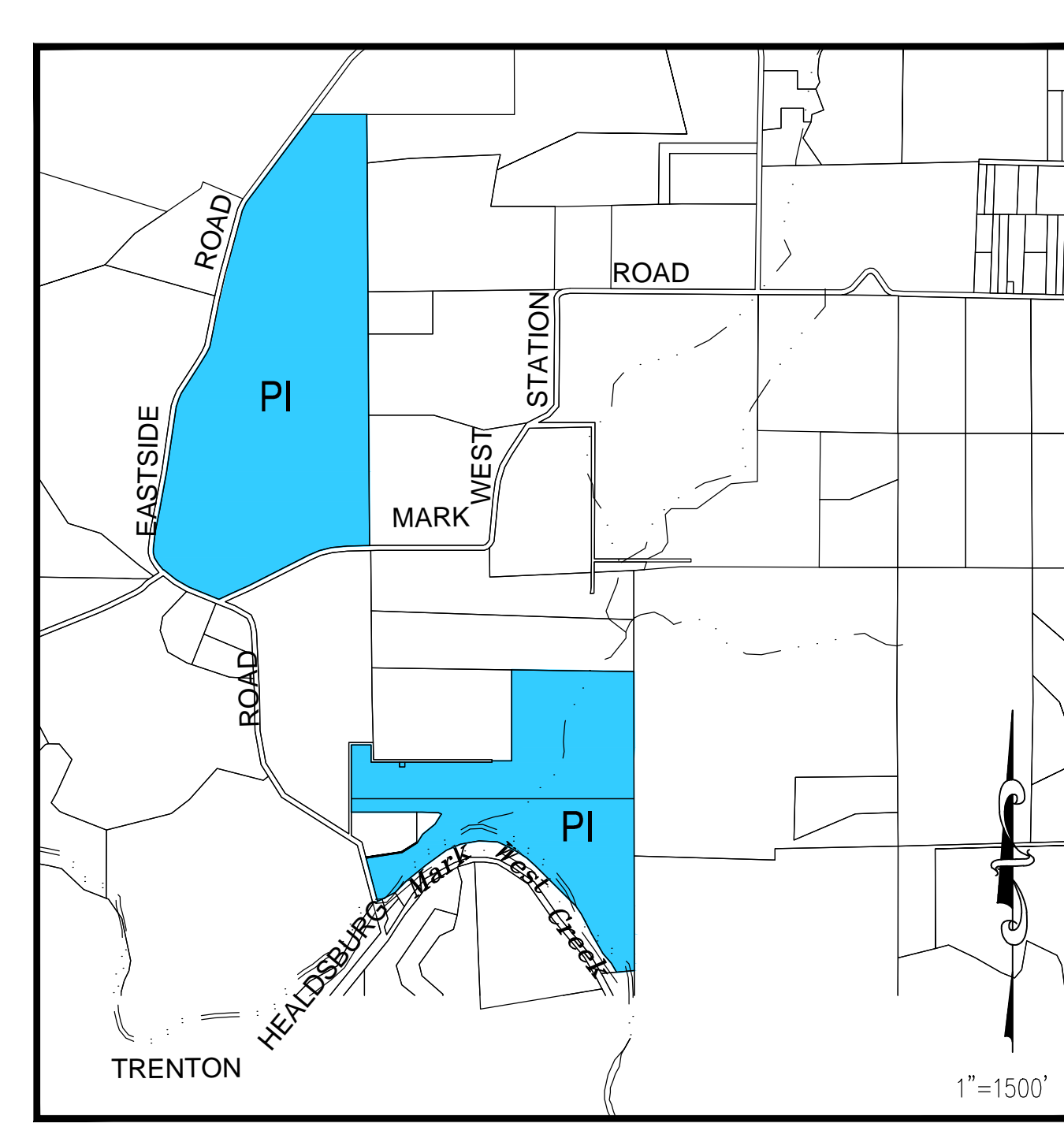
### Zoning Map Categories

- RESIDENTIAL**
- CR** COMPACT RESIDENTIAL  
(CR 24, 12-24 dwelling units/acre) (CR 32, 24-32 dwelling units/acre)
  - HDR** HIGH DENSITY RESIDENTIAL  
(12-16 dwelling units/acre)
  - MDR** MEDIUM DENSITY RESIDENTIAL  
(8-12 dwelling units/acre)
  - VR** VILLAGE RESIDENTIAL  
(5-8 dwelling units/acre)
  - SR** SURROUNDING RESIDENTIAL  
(3-6 dwelling units/acre)
  - ER** ESTATE RESIDENTIAL  
(0.2-3 dwelling units/acre)
- COMMERCIAL DISTRICTS**
- BC** BOULEVARD COMMERCIAL
  - RC** REGIONAL COMMERCIAL
  - NC** NEIGHBORHOOD CENTER COMMERCIAL
  - TC** TOWN CENTER COMMERCIAL
  - CC** COMMUNITY COMMERCIAL
  - SC** SERVICE COMMERCIAL
  - GC** GATEWAY COMMERCIAL
- INDUSTRIAL DISTRICTS**
- LI** LIGHT INDUSTRIAL
  - HI** HEAVY INDUSTRIAL
- SPECIAL PURPOSE DISTRICTS**
- OS** OPEN SPACE
  - PD** PLANNED DEVELOPMENT
  - PI** PUBLIC/INSTITUTIONAL
  - REC** RECREATION

- Map Legend**
- Town Boundary
- OVERLAY DISTRICTS**
- NC** Neighborhood Center Overlay
  - HI** Historic Overlay
  - Airport Safety  
(Portions of Airport Review Area within Town Boundary)
  - Flood Hazard  
(Approximate Location - See FEMA maps on file in the Town Planning Department)

\*Note:  
1. Windsor Mill boundaries reflect approved map. Refer to Resolution Number 18.35-05.

DATE:	May 25, 2000
REVISIONS:	
	FEBRUARY 12, 2002
	APRIL 30, 2003
	NOVEMBER 1, 2005
	AUGUST 2, 2011



**Attachment 7: Windsor Residential General Development Standards**

**TABLE 2-3  
RESIDENTIAL DISTRICT GENERAL DEVELOPMENT STANDARDS**

	Requirement by Zoning District		
	ER	SR	VR
<b>Minimum lot size</b>	<i>Minimum area and width for parcels proposed in new subdivisions.</i>		
Area	10,000 sq. ft.	6,000 sq. ft.	5,000 sq. ft.
Width (1)	80 ft.	60 ft.	
<b>Maximum Density (2)</b>	0.2 to 3 dwelling units per gross acre	3 to 6 dwelling units per gross acre	5 to 8 dwelling units per gross acre
<b>Setbacks</b>	<i>Minimum and maximum setbacks required. See Chapter 27.20 for setback measurement, allowed projections into setbacks, and exceptions to setbacks.</i>		
Front – Minimum, infill development (3)	The average of the front setbacks of the two nearest buildings on the same block face, or the minimum setback shown below for new development, whichever is less.		
Front - Minimum, new project (3)	20 ft.	15 ft.	13 ft.
Front – Maximum, new project (3)	30 ft.	25 ft.	20 ft.
Front – Minimum for garage (9)	35 ft. (4)	25 ft. (4)	18 ft., but not less than 5 ft. further from the street than the façade of the residence.
Sides – Minimum	5 ft.; 10 ft. on street side (5) (8)		
Rear – Minimum	20 ft.		
Rear – Minimum for attached garage	5 ft.		
Between structures	See Section 27.08.050 (Minimum Distance Between Residential Structures)		
Accessory structures	See Section 27.34.170 (Residential Accessory Uses and Structures)		
<b>Site coverage (6)</b>	35%	40%	50%
<b>Height limit (7)</b>	35 ft. for principal structures; 15 ft. for accessory structures		35 ft.
<b>Landscaping</b>	As required by Chapter 27.28 (Landscaping)		
<b>Parking</b>	As required by Chapter 27.30 (Parking and Loading).		