

Pay for Performance & Unconventional Approaches

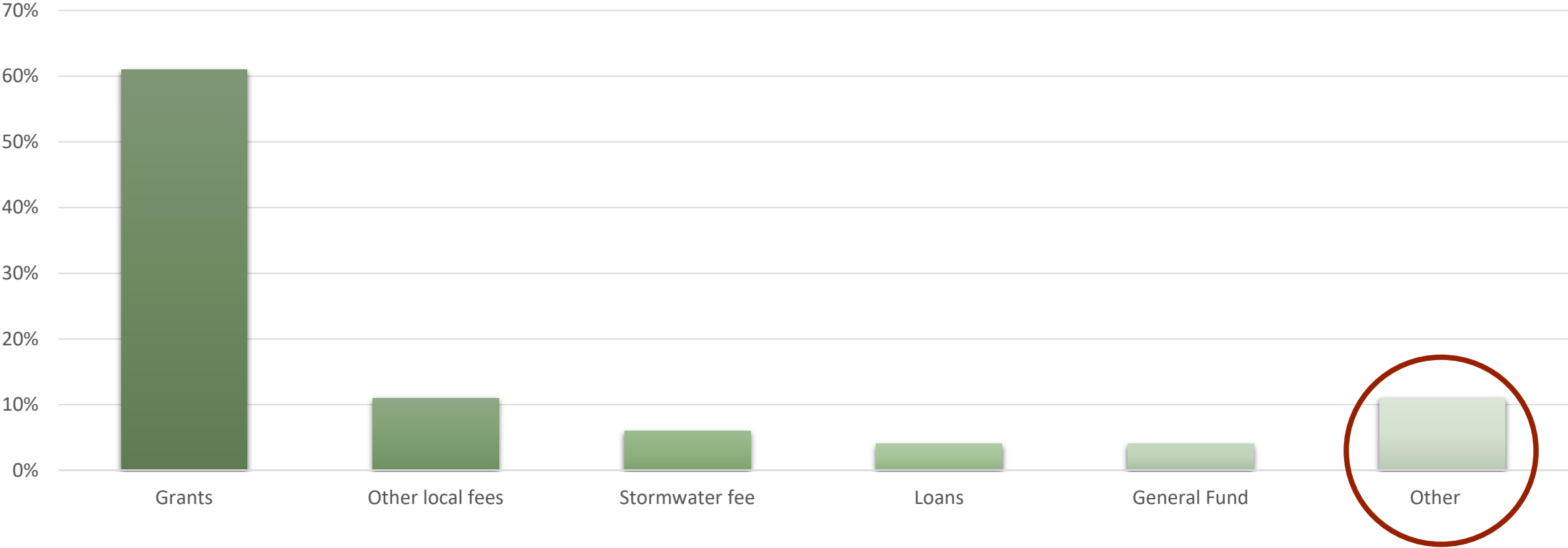
Funding Stormwater: The Next Great Challenge

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Jeremy Sokulsky, PE, MBA
jsokulsky@enviroincentives.com

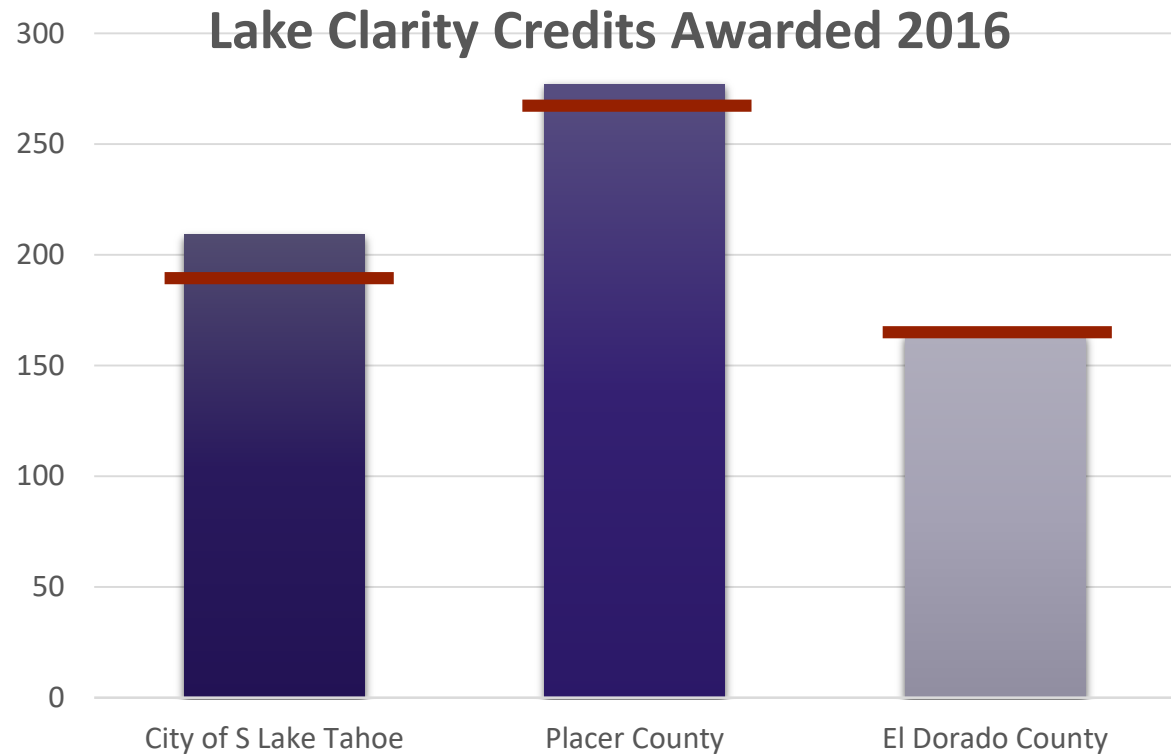
WHAT FUNDING OPTIONS ARE YOU PURSUING IN THE NEXT YEAR?



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USING PERFORMANCE FOR COMPLIANCE & CONTRACTING



Credits & Water Quality Equivalency

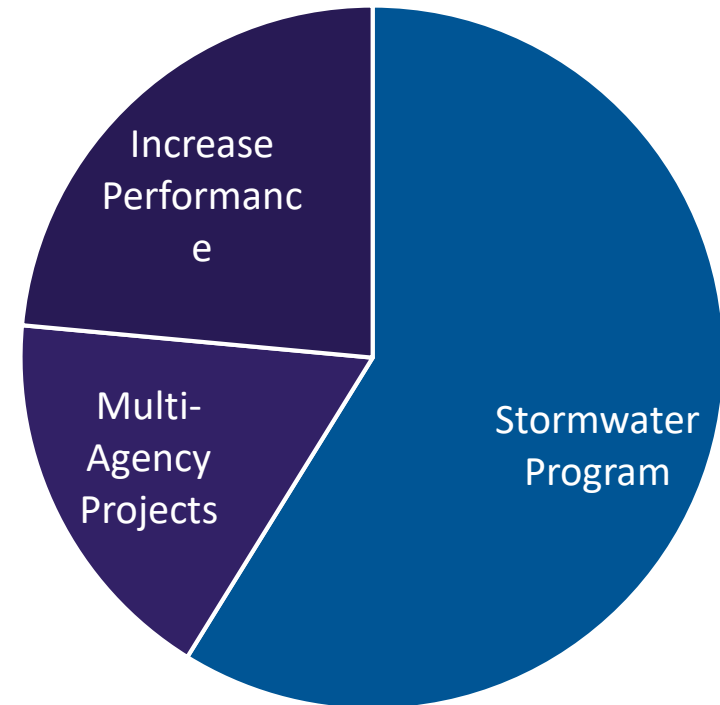
- Tahoe Lake Clarity Crediting Program
- San Diego Alternative Compliance Program
- District of Columbia Stormwater Retention Credit Program

REDUCE COSTS TO STORMWATER PROGRAM

Reduce Cost to You

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

Stormwater Compliance Cost



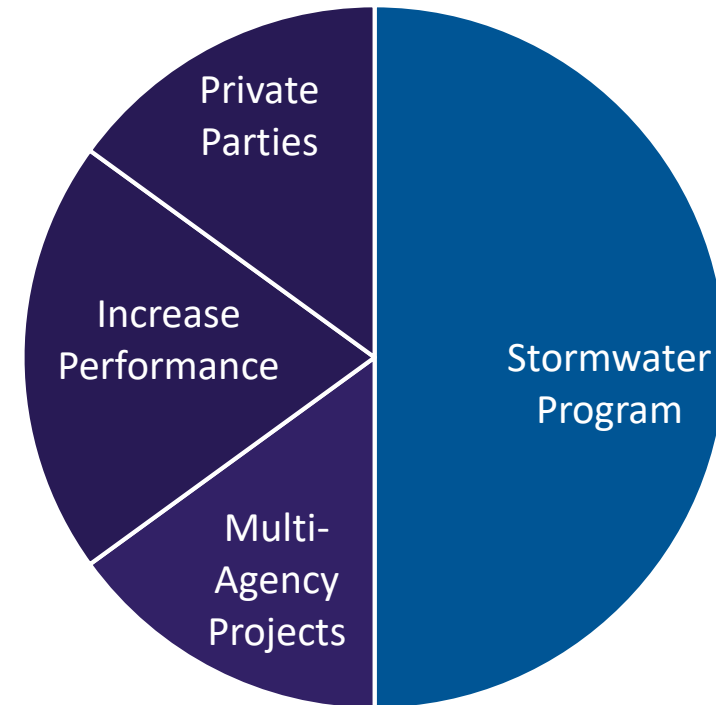
REDUCE COSTS TO STORMWATER PROGRAM

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

Alternative/Offsite Compliance Programs with Net Benefit

Stormwater Compliance Cost



REDUCE COSTS TO STORMWATER PROGRAM

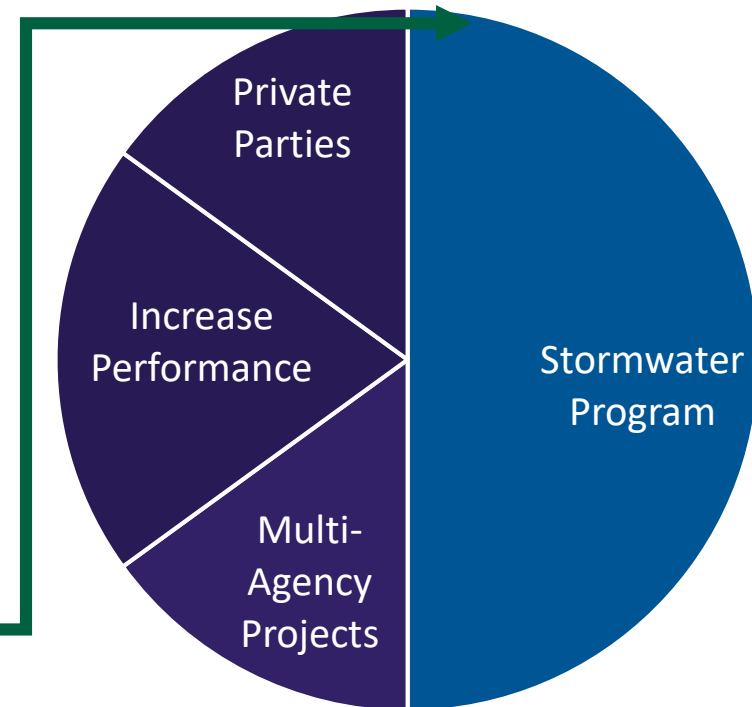
Reduce Cost to You

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Alternative/Offsite Compliance Programs with Net Benefit

Development Fees

Stormwater Compliance Cost

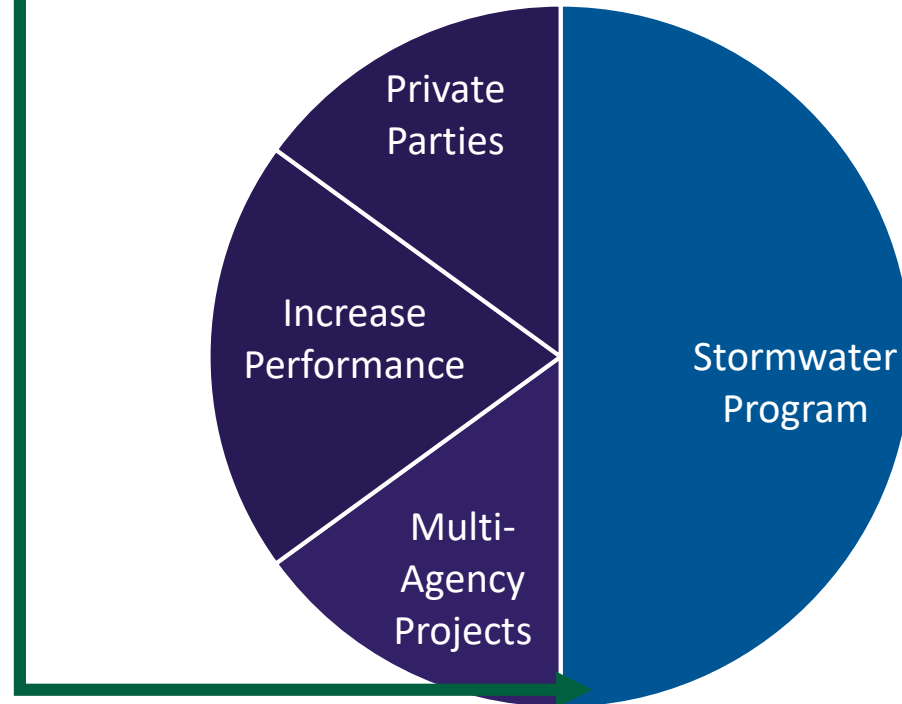


ACCESS NEW FUNDING & STAFF

Pay for Performance P3

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

Stormwater Compliance Cost



PAY-FOR-PERFORMANCE STRUCTURE



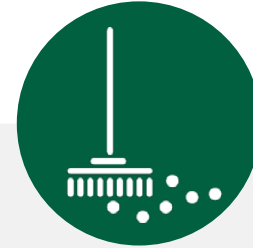
STEP 1.
Pay For Success
Contract Mechanism

defines terms of
payment



STEP 2.
Implementer

completes project



STEP 3.
Pollutant Load
Reductions

are verified and
reported



STEP 4.
Permittee

pays based on pollutant
load reductions achieved

CA DWR PAY FOR PERFORMANCE RFP

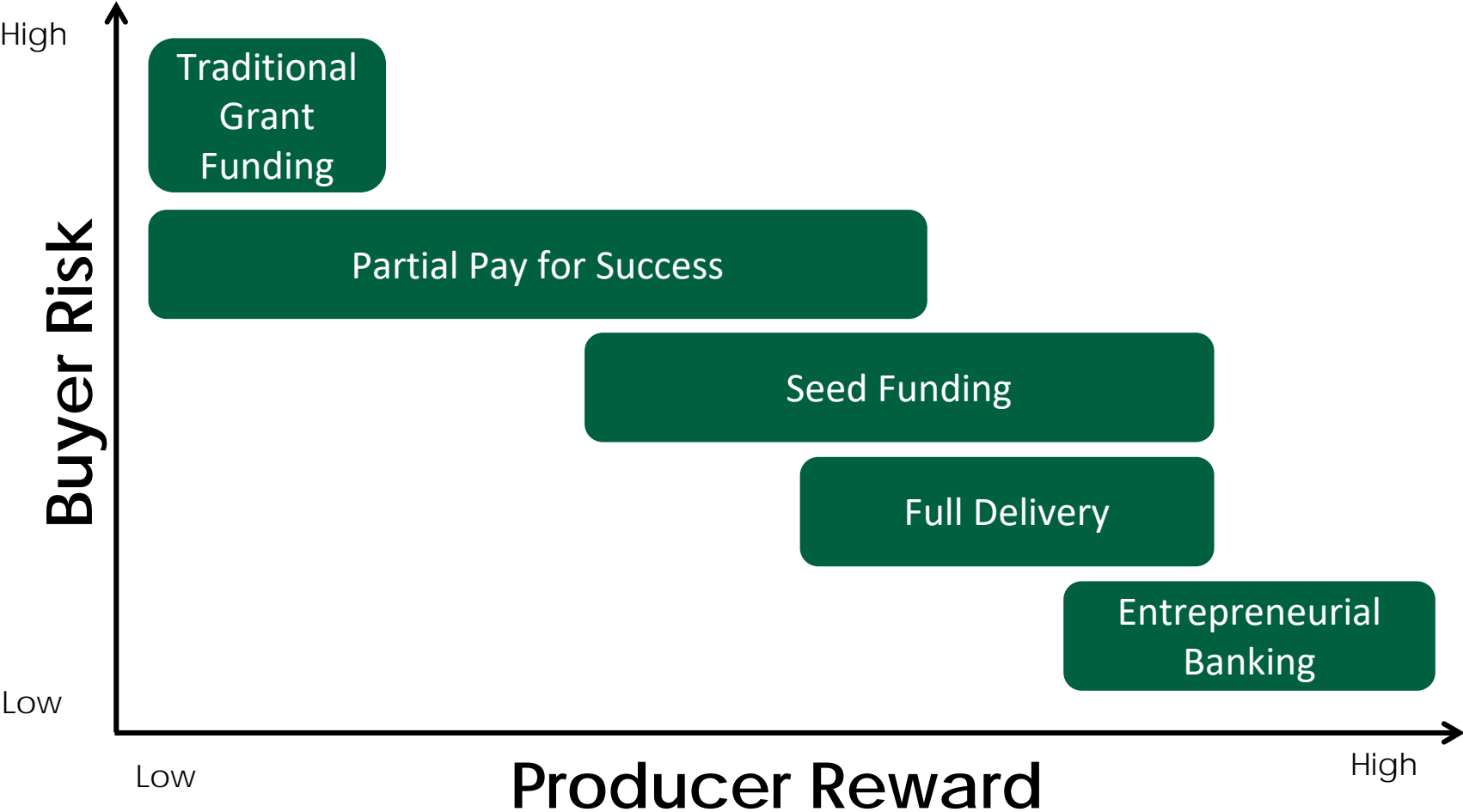
Restoration of Delta Smelt Habitat

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



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

SPECTRUM OF PAY FOR PERFORMANCE MECHANISMS



JEREMY SOKULSKY

JSOKULSKY@ENVIROINCENTIVES.COM

650-283-7997

Environmental
Incentives 

