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Ms. Laura Peters, Senior Engineer
Department of Water Resources
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September 3, 2014

Dear Ms. Peters,

Thank you for the opportunity to submit comments to the Department of Water Resources on the draft Water-Energy Grant Program guidelines. WaterSmart Software works with water utilities and cities to engage their customers using behavioral science and data analytics, driving water and energy conservation and increased customer satisfaction. WaterSmart also helps utilities with increased understanding of water use by residential customers and provides useful data and reporting tools. WaterSmart serves over twenty utilities in the state of California and has seen first hand how valuable grant programs administered through the Department of Water Resources are to helping water utilities fund important and innovative water conservation program.

This letter provides a short description of WaterSmart's work to provide context of our involvement and expertise in the area. Second, WaterSmart offers comments on the direction offered by the Department on the Water-Energy Grant Programs.

Background on WaterSmart Software

WaterSmart currently works with thirty water utilities across four states, including over twenty utilities in California, to engage residential customers on their water use, driving conservation and customer engagement. As part of the Water Insight program, WaterSmart sends customized Home Water Reports to residential water users, hosts an interactive Customer Portal where residents can learn more about their water use and ways to save, and provides utility staff with a Utility Dashboard to track program outcomes and gain insights on customers and their water use.

WaterSmart delivers Home Water Reports to residential households by both print and email. In addition to their own usage, we show residents conservation tips and strategies, and their "Water Score" so they can see how they compare to their neighbors. WaterSmart Home Water Reports are branded for the water utility, displaying utility logo and contact information, and provide social comparisons on water use as well as targeted recommendations and messages. Exhibit A shows an example Home Water Report.

WaterSmart's Customer Portal allows residential customers to find more information about their water use and recommendations to reduce, as well as provide "self service" updates and feedback on their patterns and demographics to make recommendations and analytics more accurate. The Utility Dashboard provides a Utility Staff with standardized reports, insights on each residential customer, and the ability to update customer information or track interactions.

WaterSmart solutions are proven to improve water-use efficiency by up to 5% within 6 months. A third party evaluation of WaterSmart's work with East Bay Municipal Utility District is available on the website of the California Water Foundation (which funded the third party audit) [here](#). The evaluation found that the cost per acre foot conserved ranged from \$250-590, which compares very favorably with many other municipal conservation programs. The evaluation also found improved customer satisfaction and increase participation and engagement in other utility programs.

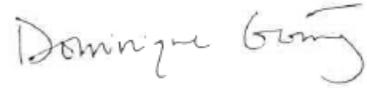
Comments on "Example Water Efficiency Projects and Programs"

Thank you for the draft guidance you have provided on how the Department will award the funding for the Water Energy Grant program. In particular, we applaud the focus on Disadvantaged Communities and the priority the Department is placing on the award of dollars to these communities. WaterSmart believes the Department can further ensure that disadvantaged communities benefit from this grant by requiring applicants to include information about the cost savings (typically through reduced water or energy utility bills) a proposed program will provide to residents within the communities the program will serve. Programs that can offer higher household or small business cost savings or other direct economic benefits should be prioritized by the Department.

WaterSmart also urges the Department to use the Water Energy Grant program to incentivize the use of innovative and cost effective programs that reduce both energy and water consumption in new ways. Behavioral water efficiency, which has been proven to reduce water use among residential customers, is one such program. The Department can promote these and other innovative programs not only through the Proposal Solicitation Package, but also through its informal guidance including the "Example Programs" it provides in public meetings. (Current Example Programs the Department [has suggested](#) include Residential Rebate Programs; Landscape irrigation retrofits; Cash for Grass; Commercial/Institutional facilities retrofits; and Leak Repair.)

Thank you for your consideration! If there is any other information I can provide do not hesitate to reach out.

Sincerely,

A handwritten signature in black ink that reads "Dominique Gómez". The signature is written in a cursive, slightly slanted style.

Dominique Gómez
Director of Market Development

Exhibit A: Example Home Water Report

