

Business Strategy

Overriding Goals

- ◇ Control operating expenses
- ◇ Project increases budget predictability through utility cost offsets, thus providing General Fund relief
- ◇ Helps mitigate future water rate increases
- ◇ Addresses aging infrastructure and equipment deficiencies
- ◇ Decreases current and future maintenance costs

Demonstrate Stewardship

- ◇ Provides **clean renewable energy**: helps protect environment
- ◇ Integrated with other operational sustainability initiatives
- ◇ Improves lighting quality and **enhances public spaces**
- ◇ Models leadership for innovative design
- ◇ Encourages private sector adoption of sustainable principles

Key Financial Considerations:

- ◇ Brea was able to take advantage of several State and utility company incentives or rebates valued at **\$4,179,659**.
- ◇ All of the energy efficiency projects combined will reduce annual utility expenses by over \$600,000 and reduce energy consumption by 4,931,722 kWh.
- ◇ Over the life of the currently installed equipment, **Brea is expected to save over \$11,700,000.**



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- ◇ Plus, water fund savings are expected to be over \$290,000 annually. This results from significantly reduced energy costs for pumping water supply into the city reservoirs and distribution system.
- ◇ Operations and maintenance savings are projected up to \$1,300,000 over the life of the project as benefits of newer, **more energy efficient equipment** accumulate.
- ◇ Risks (design, price, construction) were leveraged through an agreement with Chevron Energy Solutions, a division of a Fortune Three company.
- ◇ Professional management tools and a favorable bond market made for attractive project financing and payoff terms.

