

Council Meeting of
December 19, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Approve agreement to provide implementation services for enhanced water conservation services. Expenditure: \$115,000.

RECOMMENDATION

The Public Works Director recommends that the City Council:

1. Approve entering into an Agreement with the West Basin Municipal Water District (WBMWD) to provide implementation and related support services for the provision of commercial, industrial and residential water conservation programs, in the amount of \$115,000 over a two year period through December 31, 2008.
2. Approve an appropriation of \$115,000 from the unencumbered balance in the Water Enterprise Fund to pay for conservation implementation services provided by WBMWD within the City of Torrance.

Funding

Funding is available in the Water Revenue Enterprise Fund.

BACKGROUND AND ANALYSIS

The City of Torrance and the West Basin Municipal Water District are both direct member agencies of the Metropolitan Water District of Southern California, and collectively furnish approximately 80% of the South Bay area's water requirements. Both agencies have been actively exploring partnership opportunities for enhancing water conservation programs in their respective services areas to meet State conservation best management practices (BMP's), which are incorporated into both agencies' 2005 Urban Water Management Plans (UWMP).

As a result of these discussions, both the City's Public Works Department and WBMWD identified several viable enhanced conservation programs that could be implemented conjunctively within the South Bay area. During this process, the South Bay Cities Council of Governments (SBCCOG) expressed an interest in marketing these

water conservation programs. The SBCCOG is a joint powers authority comprised of all cities in the South Bay, including Torrance, whose primary objective is to coordinate and facilitate activities and programs of a regional nature that benefit the South Bay area. In mid 2005, the SBCCOG, with funding from Southern California Edison and Southern California Gas Company, formed the Energy Center to market and coordinate various energy efficiency incentive programs, distribute various energy saving products and provide community outreach on energy conservation in the South Bay. The SBCCOG is ideally positioned to provide marketing for the proposed water conservation programs, since these water conservation programs are targeted to the same customers that the SBCCOG currently focuses on for energy conservation programs.

As a result, it was determined that the three-way partnership between the City, WBMWD and the SBCCOG was the mutually beneficial approach to market and implement these enhanced water conservation programs, which are primarily directed to the commercial and institutional sectors. Under this arrangement, the SBCCOG would provide marketing and community outreach services, and the WBMWD would provide implementation services by retaining qualified outside vendors to perform installation and retrofits.

It is proposed that the City enter into a two year agreement with the WBMWD at a not to exceed cost of \$115,000 to provide implementation services for these enhanced water conservation programs within the City of Torrance. A similar service agreement with the SBCCOG to provide marketing services is addressed in a separate companion Council Item. The funding would be derived from an appropriation from the Water Enterprise Fund. It should be noted that most of the program costs for these proposed programs are derived from other outside funding sources including grants and MWD conservation subsidies.

Under the proposed partnership arrangement, WBMWD would provide implementation services to the City at their cost for the following water conservation programs within Torrance including: 20 public restroom retrofits with water efficient fixtures; 150 commercial laundromat clothes washer retrofits; park and/or commercial irrigation equipment retrofits for 20 landscaped acres; and 800 high efficiency toilet retrofits in multi-family and senior complexes (program will be implemented when supplemental outside funding secured). This partnership has a number of benefits including: providing the capability to implement effective conservation programs that would be difficult to undertake on a stand alone basis; maximizing the leveraging of outside funding for these programs; implementing high priority water conservation programs on a 'turnkey' basis that minimizes internal staff time; providing a means to link the implementation of energy and water conservation programs; and providing a basis for future beneficial partnerships.

At their August 17, 2006 meeting, the Water Commission unanimously supported the proposed conservation partnership programs with the WBMWD and the SBCCOG. Subsequently, the matter was considered by the City Council's Finance and Governmental Operations Committee at the November 14, 2006 meeting, at which time the Committee recommended the approval of the enhanced water conservation partnership program as budget modification. The City Council, at the November 21, 2006 meeting, formally approved the recommendation of the Committee to adopt the enhanced water conservation program.

Upon the City Council's approval of the respective agreements with the WBMWD for implementation services and the SBCCOG for marketing services, the enhanced water conservation programs will be initiated beginning in January 2007.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director

By: 
Charles J. Schaich
Senior Administrative Analyst

CONCUR:


Jack van der Linden
Deputy Public Works Director


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Attachments: A. Agreement with WBMWD
B. Item submitted to Finance and Governmental
Operations Committee on 11-14-2006

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT (“Agreement”) is made and entered into as of December 19, 2006 (the “Effective Date”), by and between the CITY OF TORRANCE, a municipal corporation (“CITY”), and West Basin Municipal Water District, a municipal water district (“CONSULTANT”).

RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONSULTANT to provide implementation and related support services for the implementation of institutional, business and residential water conservation programs.
- B. CONSULTANT represents that it is qualified to perform those services.

AGREEMENT:

1. SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT will provide the services listed in the Scope of Services attached as Exhibit A. CONSULTANT warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through December 31, 2008.

3. COMPENSATION

- A. CONSULTANT’s Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$ 115,000 (“Agreement Sum”), unless otherwise first approved in writing by CITY.

- B. Schedule of Payment.

Provided that the CONSULTANT is not in default under the terms of this Agreement, upon presentation of an invoice, CONSULTANT will be paid monthly the fees described in Paragraph 3.A. above, according to the Compensation Schedule. Payment will be due within 30 days after the date of the monthly invoice.

4. TERMINATION OF AGREEMENT

- A. Termination by CITY for Convenience.

1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONSULTANT will:
 - a. cease operations as directed by CITY in the notice;
 - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
 - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONSULTANT will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
2. In the event this Agreement is terminated for cause by the default of the CONSULTANT, the CITY may, at the expense of the CONSULTANT and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONSULTANT under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONSULTANT and its surety from liability for the default. Under these circumstances, however, the CONSULTANT and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.
3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONSULTANT or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONSULTANT or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONSULTANT's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONSULTANT has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONSULTANT authorizes CITY to deduct from any amount payable to CONSULTANT (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONSULTANT's negligent acts or omissions or willful misconduct in performing or failing to perform CONSULTANT's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONSULTANT, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONSULTANT to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. **CITY REPRESENTATIVE**

Robert Beste is designated as the “City Representative,” authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONSULTANT.

8. **CONSULTANT REPRESENTATIVE(S)**

The following principal(s) of CONSULTANT are designated as being the principal(s) and representative(s) of CONSULTANT authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Richard Nagel, General Manager

9. **INDEPENDENT CONTRACTOR**

The CONSULTANT is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONSULTANT or any of the CONSULTANT’s employees, except as otherwise set forth in this Agreement. The CONSULTANT may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONSULTANT must obtain a City business license prior to the start of work under this Agreement, unless CONSULTANT is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONSULTANT warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONSULTANT warrants that CONSULTANT (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONSULTANT warrants that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONSULTANT discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONSULTANT must immediately inform CITY of that fact and may not proceed except at CONSULTANT’s risk until written instructions are received from CITY.

13. CARE OF WORK

CONSULTANT must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

14. CONSULTANT'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS

Records of the CONSULTANT's time pertaining to the project, and records of accounts between CITY and the CONSULTANT, will be kept on a generally recognized accounting basis. CONSULTANT will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONSULTANT will maintain these records for three years after final payment.

15. INDEMNIFICATION

CONSULTANT will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONSULTANT, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONSULTANT's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONSULTANT will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONSULTANT will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES

No officer or employee of CITY will be personally liable to CONSULTANT, in the event of any default or breach by the CITY or for any amount that may become due to CONSULTANT.

17. INSURANCE

- A. CONSULTANT must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
 - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
 - b. Primary Property Damage of at least \$250,000 per occurrence; or
 - c. Combined single limits of \$1,000,000 per occurrence.
 2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
 3. Professional liability insurance with limits of at least \$1,000,000 per occurrence.
 4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$1,000,000.
- B. The insurance provided by CONSULTANT will be primary and non-contributory
- C. CITY, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONSULTANT must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. SUFFICIENCY OF INSURERS AND SURETIES

Insurance or bonds required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to CITY, the CONSULTANT agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed

accordingly upon receipt of written notice from the Risk Manager; provided that CONSULTANT will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

19. CONFLICT OF INTEREST

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

20. NOTICE

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
 2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONSULTANT: West Basin Municipal Water District
Attn: Richard Nagel, General Manager
17140 S. Avalon Boulevard
Carson, CA 90746-1296

Fax: 310-516-1576

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.
21. **PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**
This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONSULTANT without the prior written consent of the other.
22. **INTEGRATION; AMENDMENT**
This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.
23. **INTERPRETATION**
The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.
24. **SEVERABILITY**
If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.
25. **TIME OF ESSENCE**
Time is of the essence in the performance of this Agreement.
26. **GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. COMPLIANCE WITH STATUTES AND REGULATIONS

CONSULTANT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. WAIVER OF BREACH

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. ATTORNEY'S FEES

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. EXHIBITS

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. CONSULTANT'S AUTHORITY TO EXECUTE

The person(s) executing this Agreement on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONSULTANT; (iii) by so executing this Agreement, the CONSULTANT is formally bound to the provisions of this Agreement;

and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONSULTANT is bound.

CITY OF TORRANCE
a Municipal Corporation

West Basin Municipal Water District
A Municipal Water District

Frank Scotto, Mayor

ATTEST:

By: _____
Richard Nagel
General Manager

Sue Herbers
City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____

Attachments: Exhibit A Scope of Services
 Exhibit B Compensation Schedule

Revised: 1/30/01

EXHIBIT A**SCOPE OF SERVICES**

The West Basin Municipal Water District (WBMWD) will provide implementation and related support services for the development and implementation of designated Water Conservation Programs within the City of Torrance. The West Basin Municipal Water District will, in consultation with the City, retain the services of implementation vendors to perform various water conservation programs including:

- 1. Public Restroom Retrofit Program - This program will provide for retrofit of 20 restrooms with high efficiency toilets, faucets and waterless urinals for 20 business and institutional customers**
- 2. Commercial Laundromat Retrofit Program - This program will provide for the changeout of 150 conventional clothes washers with high efficiency models (HECW) in commercial laundromats.**
- 3. Landscape Audits and Irrigation Retrofit Program - This program will provide for the retrofit of irrigation systems with water efficient systems, and performance of water audits and water budgets for 20 selected public or commercial landscape sites.**
- 4. High Efficiency Toilet (HET) Retrofits - This program will provide for direct installation of 800 HET toilets in multi-family and senior citizen complexes. Implementation would not occur until outside funding is secured for this program**
- 5. PDA Water Efficient Landscape Classes - This program will provide for joint participation of the City and WBMWD in conducting residential and commercial PDA classes sponsored by the Metropolitan Water District of Southern California.**
- 6. Other Water Conservation Programs - The City and WBMWD will seek to develop other water conservation programs on a partnership basis.**

EXHIBIT B**COMPENSATION SCHEDULE**

Payment for services to West Basin Municipal Water District (WBWMD) will be on a monthly basis within 30 days of submittal of an invoice from WBMWD. Payments to WBMWD shall be solely to cover the costs for services rendered by the implementation vendor for the performance of designated water conservation programs as follows:

- 1. Public Restroom Retrofit Program - The total projected net cost is \$ 32,000 for the retrofit of 20 sites.**
- 2. Commercial Laundromat Retrofit Program - The total projected net cost is \$ 23,000 for the retrofit of 150 high efficiency clothes washers.**
- 3. Landscape Audits and Irrigation Retrofit Program - The total projected net cost is \$ 20,000 for the retrofits and audits for approximately 20 landscaped acres.**
- 4. High Efficiency Toilet (HET) Program - The total projected net cost is \$ 40,000 for the retrofit of 800 conventional toilets.**
- 5. PDA Water Efficient Landscape Classes - There are no direct charges for this program.**

Reallocation of activity levels and funding between these designated programs are permitted upon the written approval of the City's Public Works Director.

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee

SUBJECT: Public Works - Approve implementation of enhanced water conservation programs and entering into agreements with the both the South Bay Council of Governments and West Basin Municipal Water District to provide for program marketing and implementation services

Expenditure: \$ 135,000 over two year period through December 31, 2008

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee;

1. Approve entering into an agreement with the South Bay Council of Governments (SBCCOG), to provide marketing services for the implementation of commercial, industrial and residential water conservation programs, in the amount of \$20,000 over a two year period and;
2. Approve entering into an agreement with the West Basin Municipal Water District (WBMWD) to provide implementation services for commercial, industrial and residential water conservation programs in the amount of \$115,000 over a two year period and;
3. Approve an appropriation of \$115,000 from the unencumbered balance in the Water Revenue Enterprise Fund to pay for conservation program implementation services rendered by WBMWD within the City.

Funding

Funding is available in the Water Revenue Enterprise Fund.

BACKGROUND

Several months ago, the Public Works Department met with representatives of both the SBCCOG and the West Basin Municipal Water District (WBMWD) to explore the possibility of forming a partnership arrangement between all three agencies to implement high priority water conservation programs within the South Bay area, primarily targeted to the institutional and business sectors. Both WBMWD and the City of Torrance are direct member agencies of the Metropolitan Water District of Southern California (MWD) and cover the entire South Bay with regard to imported water supplied by MWD.

The SBCCOG is a joint powers authority among South Bay cities, including the City of Torrance. The principal objective of the SBCCOG is to maximize the quality of life and productivity through the cooperative participation of its member cities on various issues of a regional and sub regional nature. Major focus areas of the SBCCOG include energy issues/conservation, homeland security, transportation, legislation, mass transit, planning and other matters of a regional nature.

Approximately one year ago, the SBCCOG was successful in establishing the South Bay Energy Saving Center. The Energy Center is located in Torrance, and its major function is to promote energy conservation within the South Bay community by marketing a wide variety of energy rebate and incentive type programs, providing energy resource materials, direct procurement and distribution of energy saving devices and conducting an extensive outreach program throughout the South Bay area. The SBCCOG has been extremely successful in this venture and has established an extensive network to effectively market energy conservation programs. The target audience for proposed water conservation programs is the same clientele that the SBCCOG is already marketing energy conservation programs to on an ongoing basis.

ANALYSIS

The development and implementation of effective commercial and institutional water conservation programs are incorporated as core measures in both the City of Torrance's and the West Basin Municipal Water District's recently adopted Urban Water Management Plans (UWMP). To date, most water conservation programs in the area have been focused primarily on the residential sector.

West Basin Municipal received grant funding to implement a public restroom retrofit program using low flow devices and the retrofit of commercial Laundromats with high efficiency clothes washers (HECW). In addition, WBMWD, in conjunction with TMW, has applied for funding from the Metropolitan Water District (MWD) to implement a high efficiency toilet (HET) retrofit program for multi-family and senior housing complexes and provide for landscape audits and irrigation equipment retrofits for greenbelt areas. We have been informed the grant for the landscape program will be awarded, but the high efficiency toilet program was not approved during this grant cycle. TMW and West Basin

will jointly be seeking outside funding for this program from other sources. These programs represent innovative high priority water conservation that have not been previously addressed in this area.

The SBCOG will provide an active marketing campaign to promote the implementation of these and other related water conservation programs. In addition, the SBCOG will function as a resource center to link water and energy conservation programs and be a "clearinghouse" for these programs. It is proposed that the City enter into an initial two year agreement with the SBCOG to provide requisite marketing and support services for \$20,000. In addition, a separate two year agreement would be entered into with West Basin Municipal to develop a partnership arrangement for implementation services for these conservation programs within the City of Torrance. WBMWD will retain outside implementation vendors for these type of "direct install" water conservation programs. Torrance Municipal Water would reimburse West Basin Municipal approximately \$115,000 over the two period to cover the cost of implementation services performed solely within the City.

A summary of the proposed two year conservation program and implementation costs is as follows:

Public Restroom Retrofits – This program would retrofit public restrooms in Torrance and the South Bay with ultra high efficiency toilets, water efficient sinks and waterless urinals. Based on participation of 20 sites in the City, the net TMW cost is estimated at \$32,000.

Commercial Laundromat Retrofits – This program would involve the change out of conventional clothes washers with high efficiency (HECW) models and would be implemented in conjunction with the Southern California Gas Company energy conversation programs. The net cost to TMW for participation with 150 HECW retrofits is \$23,000

Landscape Audits and Irrigation Equipment Retrofits - This program would provide for the retrofit of irrigation systems with water efficient systems for selected public or commercial landscapes and provide for water audits and the development of water budgets for these sites. The net cost to TMWW would be \$20,000 for participation of 20 landscaped acres in the program at various sites.

Water Efficient Landscape Classes - MWD currently sponsors these classes and Torrance has been an active participant in these programs. Although there would be no additional cost for program implementation, the SBCCOG would assist in marketing these programs to a wider audience on a more frequent basis.

High Efficiency Toilet (HET) Direct Install Program for Multi-Family and Senior Complexes-This program would not be implemented until supplemental outside funding is secured. Upon obtaining outside funding, the net cost to TMW would be \$40,000 based on a participation level of 800 units.