

Council Meeting of
March 25, 2008

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

SUBJECT: Public Works – Approval of a Letter Agreement with the Water Replenishment District of Southern California for acceptance of \$40,000 in funding for implementation of Commercial, Industrial and Institutional (CII) Water Conservation Programs. Expenditure: Not to exceed \$4,000.

RECOMMENDATION

Recommendation of the Public Works Director that City Council execute a partnership Letter Agreement with the Water Replenishment District of Southern California (WRD) to accept funding in the amount of \$40,000 for supplemental rebate incentives to implement region wide Commercial, Industrial and Institutional (CII) water conservation programs sponsored by the Metropolitan Water District of Southern California (MWD) within the City of Torrance.

Funding

Net funding will be approximately \$4,000 for program marketing and non-reimbursed expenses, which will be derived from the current Torrance Municipal Water (TMW) operating budget.

BACKGROUND/ANALYSIS

The Water Replenishment District of Southern California (WRD) is responsible for replenishment and management of the Central and West Coast Groundwater Basins and ensuring the continued reliability of groundwater resources in the area. In an effort to increase water supply reliability, the WRD Board of Director's approved development of a pilot water conservation partnership arrangement with the five Metropolitan Water District member agencies that wholly overlie WRD's service area including the Central Basin Municipal Water District, the West Basin Municipal Water District, and the cities of Compton, Long Beach and Torrance.

Enhancement of overall water reliability through the implementation of proven and effective conservation measures is a major priority of all water agencies in the area as a means to reduce demands on limited water resources. To facilitate a greater degree of water conservation in the local area, WRD has initiated a pilot incentive partnership arrangement with the local MWD member agencies, including Torrance, for the duration of fiscal 2007-08. Under this partnership arrangement WRD will provide supplemental funding of \$40,000 to each of the five local MWD member agencies for implementation of certain conservation programs under the auspices of Metropolitan

Water District's (MWD) Commercial, Industrial and Institutional (CII) program. The CII program provides rebates to businesses and institutional customers to partially offset costs for the installation of certain water conservation devices including high efficiency toilets (HET), water conserving waterbrooms, coin-operated clothes washers, and waterless urinals.

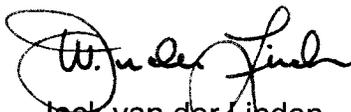
The WRD partnership arrangement is voluntary and does not require any specific level of participation. If any member agency is unable to fully utilize their complete \$40,000 allotment, any remaining balance will returned to a common pool for use by other participating agencies. Initially, Torrance Municipal Water (TMW) will be invoiced by MWD for the amount of the incentives to be paid by WRD, and TMW will, in turn, invoice the Water Replenishment District for this amount. The only actual costs incurred by TMW will be approximately \$4,000 for marketing and related non-reimbursed expenses.

The objective of the WRD program is to increase participation in certain proven MWD sponsored CII conservation programs by providing supplemental incentive rebates that make these programs more attractive to business and institutional customers. The City currently participates in the CII conservation program and the proposed partnership arrangement with WRD will increase overall utilization of this program. Torrance Municipal Water (TMW), in conjunction with MWD's implementation vendor, has already identified opportunities for the use of this funding for prescribed water conservation devices. It is recommended that the conservation partnership arrangement with WRD be entered into by executing the attached letter agreement.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director

CONCUR:



Jack van der Linden
Deputy Public Works Director



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Charles Schaich
By: Charles Schaich
Senior Administrative Analyst

Attachment: A. Letter Agreement with Water Replenishment District

AGREEMENT No.
between
Water Replenishment District of Southern California
and
City of Torrance (Conservation Program)
For
Co-Sponsorship Participation in the
Commercial, Industrial and Institutional (CII) Rebate Incentives

The Water Replenishment District of Southern California, herein "DISTRICT", and City of Torrance, herein "PURVEYOR", agree as follows:

RECITALS

In an effort to increase water supply reliability throughout the region, the District participates in a commercial Rebate Program herein "PROGRAM", for businesses and residents in the DISTRICT's complete service area that are customers of the PURVEYORS.

The PURVEYOR will partner with the DISTRICT to enhance the incentives for the rebate participants in the PROGRAM.

SECTION 1- SCOPE

DISTRICT and PURVEYOR shall sponsor the PROGRAM as described in the Exhibit "A", attached hereto.

SECTION 2 - TERM

The term of this Agreement shall be for a period of three (3) months commencing March 25, 2008 and concluding June 30, 2008. After three month (by end of June 2008) this partnership will be evaluated. At this time the member agency who has not use its complete allotment of \$40,000 will then forfeit the remaining balance to be used by the remaining member agencies.

SECTION 3 - CONTRIBUTION

Under this Partnership Agreement, WRD is providing a total not-to-exceed amount of \$40,000 for each of the five MWD member agencies mentioned above not to exceed a total of \$200,000. After three months (by end of June 2008) this partnership will be evaluated. At this time the member agency who has not use its complete allotment of \$40,000 will then forfeit the remaining balance to be used by the remaining member agencies.

SECTION 4 – INDEMNIFICATION

- (a) PURVEYOR shall hold harmless, defend at its own expense, and indemnify DISTRICT, its officers, employees, and agents against any and all liability, claims, losses, damages, or expenses, including reasonable attorneys' fees, arising from all acts or omissions to act of PURVEYOR or its officers, agents, consultants or employees in rendering services under this agreement: excluding, however, such liability, claims, losses, damages, or expenses arising solely from DISTRICT's gross negligence or willful acts.
- (b) DISTRICT shall hold harmless, defend at its own expense, and indemnify PURVEYOR, its officers, employees, and agents against any and all liability, claims, losses, damages, or expenses, including reasonable attorneys' fees, arising from all acts or omissions to act of DISTRICT or its officers, agents, consultants or employees in rendering services under this agreement: excluding, however, such liability, claims, losses, damages, or expenses arising solely from PURVEYOR's negligence or willful acts.

SECTION 5 – AGREEMENT ADMINISTRATION

The project manager in the DISTRICTS's designated representative responsible for the administration of this Agreement. The Project Manager for this Agreement is Elsa Lopez. Notices required or permitted shall be given by personal delivery or by first class mail, postage prepaid, or facsimile transmission.

To: WRD
 Attn: Elsa Lopez
 Education & Partnerships Programs Manager
 4040 Paramount Blvd.
 Lakewood, CA 90712
 Phone: 562-275-4231
 Fax: 562-275-4231

To: City of Torrance (Conservation Program)
 Attn: Chuck Schaich
 3031 Torrance Blvd.
 Torrance, CA 90503
 Phone: 310-328-5310
 Fax: 310-618.5891

SECTION 6 – APPLICABLE LAW

This Agreement shall be construed in accordance with and governed by the laws for the State of California.

SECTION 7 – INTEGRATION

This Agreement represents the entire understanding of the parties. No prior oral or written understanding shall be of any force of effect with respect to those matters covered by this Agreement.

SIGNATURE FOLLOWING PAGE

**PROFESSIONAL SERVICES AGREEMENT
City of Torrance (Conservation Program)**

IN WITNESS WHEREOF, the Parties have caused this AGREEMENT to be executed the day and year first above written.

**WATER REPLENISHMENT DISTRICT OF
SOUTHERN CALIFORNIA**

Signature
Rob Katherman

Print Name
President, Board of Directors

Title

Signature
Willard H. Murray Jr.

Print Name
Secretary, Board of Directors

Title

City of Torrance (Conservation Program) , ("CONSULTANT")

Signature

Print Name

Title

ATTEST:

Sue Herbers, City Clerk

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

By: _____

**Approved As To Form
Meyers Nave Riback Silver & Wilson
Professional Law Corporation**

Attorneys for the Water Replenishment
District of Southern California
[34458 3.DOC]

EXHIBIT A

**Water Replenishment District of Southern California
and
City of Torrance (Conservation Program)
Water-Use-Efficiency Partnership Agreement
Commercial, Industrial and Institutional (CII) Rebate Incentives**

March 25, 2008

Program Description

The Water Replenishment District (WRD) would like to participate in MWD's region-wide CII Rebate Program. In order to participate in this program, the WRD will enter into a partnership agreement with City of Compton, City of Long Beach, City of Torrance, Central Basin Municipal Water District, and West Basin Municipal Water District

MWD has hired a vendor named Honeywell to market and administrate CII rebates on behalf of its Member Agencies and WRD.

Through this partnership, MWD will instruct Honeywell to provide the prescriptive rebates mentioned below, to residents located in WRD's and City of Compton, City of Long Beach, City of Torrance, Central Basin Municipal Water District, and West Basin Municipal Water District service areas.

Agreement Term

The term of this agreement will be in affect beginning March 25, 2008 and ending June 30, 2008.

Device Incentives and Funding Level

For this partnership agreement, WRD is providing a total not-to-exceed amount of \$40,000 for each of the five MWD member agencies mentioned above not to exceed a total of \$200,000.

After three months (by the end of June 2008) this partnership will be evaluated. At this time the member agency who has not use its complete allotment of \$40,000 will then forfeit the remaining balance to be used by the remaining member agencies.

WRD will provide the following funding levels:

| | |
|---|---|
| <ul style="list-style-type: none"> • \$200 Rebate for each Coin-Operated Washer | <ul style="list-style-type: none"> • \$100 Rebate for Waterbrooms |
| <ul style="list-style-type: none"> • \$200 for Zero Water Urinals (Product or Install) | <ul style="list-style-type: none"> • \$100 High Efficiency Toilets |

There are no quantity limits for each device, but the total may not exceed the amount allotted to each member agency in the first six months. The total contribution by WRD will not exceed \$200,000 among the five MWD member agencies named above.

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Honeywell will promote WRD's additional rebates and invoice MWD accordingly. MWD will in-turn invoice each of the five member agencies for incentives paid on behalf of WRD. Consequently, all five MWD member agencies named above will invoice WRD for the amount paid out to MWD. Each MWD member agency will only pay for the amounts listed above, for a total not-to-exceed of \$40,000 for rebates within the first six months of this agreement after the six month evaluation each member agency that will continue rebates with any remaining funds on a first-come basis.

Marketing

WRD will be recognized on all marketing materials as a contributor to the CII program for the above devices. WRD's logo will be placed on marking materials according to Honeywell's guide lines.

Conclusion

WRD is pleased to be investing in this Water Use Efficiency Program. These incentives will help encourage the business sector to install water efficient devices that will help lower their water bills and also help protect the local water sources.