

Council meeting of
July 22, 2008

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

Members of the Council

SUBJECT: Public Works – Approve an Amendment of a Residential Water Conservation Funding Agreement with the Metropolitan Water District of Southern California. Expenditure: N/A

RECOMMENDATION

Recommendation of the Public Works Director that the City Council approve an amendment to an existing residential water conservation funding agreement (Agreement No. 74350) with the Metropolitan Water District of Southern California (MWD). The amendment provides the City of Torrance an option to participate in a region-wide residential conservation program administered by the Electric and Gas Industries Association.

Funding

There are no additional funding requirements as a result of the execution of this amendment.

BACKGROUND AND ANALYSIS

In June 2006, the City Council approved entering into a master water conservation funding agreement with the Metropolitan Water District for the period of fiscal 2006-07 through 2014-15. This master agreement provided incentive funding to MWD member agencies, including Torrance, for implementation of residential conservation rebate programs for various water efficiency devices at the local level. The master agreement provides for the issuance of amendments to change program options, scope or conditions.

Over the course of the past year MWD and their member agencies considered alternatives to the current residential conservation programs administered locally by MWD member agencies. It was determined that a region-wide residential program administered by Metropolitan was the preferred alternative and this approach offered a number of distinct advantages including: projected increased participation by residential customers in rebate conservation programs; increased efficiency and lower overall cost per retrofitted device; enhanced focused marketing on a region-wide basis; elimination

of duplicated efforts by neighboring water agencies; implementation of relatively uniform residential conservation programs throughout MWD's service area; and a turn-key approach that is more cost effective for MWD and their member agencies.

As a result of this assessment, Metropolitan issued a request for proposals (RFP) for the provision of a region-wide residential conservation program and received proposals from several vendors. After extensive evaluation, MWD selected the Electric and Gas Industries Association (EGIA) to provide management and marketing services for administration of a turn-key region-wide residential conservation program for a five year term beginning in fiscal 2008-09. EGIA has over 25 years of extensive experience in managing electric, natural gas and water conservation and demand management programs.

Under this program Metropolitan's vendor, EGIA, will market conservation retrofit measures and provide rebate incentives to residential customers. Marketing will include in-store displays and point of purchase advertising for eligible water efficient devices. Retrofits would replace high water-using devices with more water efficient models. The current devices that are eligible for rebates under this program are as follows:

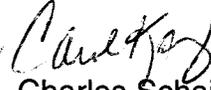
<u>Device</u>	<u>Customer Rebate</u>
High efficiency toilets (HET) replacing 3.0 gallon per flush toilets	\$165
HET Upgrade for replacement of 1.6 ultra-low flush model	\$30
High Efficiency Clothes Washer (HECW)	\$135 (includes funding from grants awarded to MWD)
Weather Based Irrigation Controller (less than one acre)	\$80
Weather Based Irrigation Controller (more than one acre)	\$630 per acre
Water Efficient Irrigation Rotating Nozzles	\$4 per nozzle
Synthetic Turf	\$.30 per sq. ft.

Participation by Metropolitan Water District member agencies in this region-wide program is voluntary. However, this approach provides a more cost effective and focused approach, and almost all MWD member agencies have expressed support for this type of region-wide effort and will be participating in the program. This new program administered by Metropolitan's vendor, EGIA, will provide an integrated marketing approach that is expected to increase local participation in these

conservation rebate programs. Therefore, it is recommended that the City Council approve this amendment to our existing conservation agreement with the Metropolitan Water District.

Respectfully submitted,

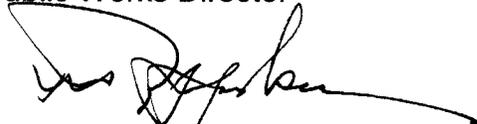
ROBERT J. BESTE
Public Works Director


By Charles Schaich
Senior Administrative Analyst

CONCUR:


Jack van der Linden
Deputy Public Works Director


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Attachment: A. Amendment to Water Funding Agreement with the Metropolitan Water District

FIRST AMENDMENT

TO THE WATER CONSERVATION FUNDING AGREEMENT NO. 75350
BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND
CITY OF TORRANCE

There is now in effect a Water Conservation Funding Agreement between The Metropolitan Water District of Southern California (Metropolitan) and the City of Torrance (Torrance) entered into as of July 1, 2006, hereinafter referred to as Agreement.

WHEREAS, under this Agreement Metropolitan assists member agencies in implementing a variety of water conservation measures, which includes providing funding to retrofit devices with more efficient models.

WHEREAS, Metropolitan's Board approved the Region-wide Residential Conservation Program in July 2007, which Torrance can participate pursuant to this First Amendment.

WHEREAS, Metropolitan entered into an agreement with the Electric & Gas Industries Association to administer Metropolitan's Region-wide Residential Conservation Program.

THEREFORE, the parties desire to amend the Agreement with this First Amendment as follows:

1. Torrance agrees to participate in Metropolitan's Region-wide Residential Conservation Program administered by the Electric & Gas Industries Association. Eligible device incentives under Metropolitan's Region-wide Residential Conservation Program are listed in Exhibit O-1.

2. Prior to participation by Torrance customers, Torrance shall submit to Metropolitan an executed copy of Exhibit O-2 acknowledging specific devices for participation under Metropolitan's Region-wide Residential Conservation Program. Torrance may revise Exhibit O-2 at any time during the course of the Agreement by resubmitting an executed copy of Exhibit O-2.
3. Torrance may supplement Metropolitan's incentives under the Region-wide Program by submitting to Metropolitan an executed copy of Exhibit O-3, indicating amount of funding to be added for each device and specified period as applicable. Torrance may revise Exhibit O-3 at any time during the course of the Agreement by resubmitting an executed copy of Exhibit O-3.
4. In addition to participating in the Region-wide Residential Conservation Program, Torrance may separately administer its own programs to receive Metropolitan's incentive in compliance with Agreement terms. If Torrance administers its own residential conservation program, the following shall be provided to Metropolitan within 30 days if requested:
 - a. A database that includes pertinent customer and retrofitted device information for grant-funded items.
 - b. Documentation of Torrance's rebate approval process and supporting materials such as program application, copies of receipts, etc.
5. The Residential Region-wide Conservation Program is effective July 10, 2007.

Attachments: **Region-wide Residential Conservation Program**
Exhibit O-1 Eligible Devices;
Exhibit O-2 Device Participation;
Exhibit O-3 Member Agency Supplemental Funding

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to the Water Conservation Funding Agreement.

APPROVED AS TO FORM:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Karen L. Tachiki
General Counsel

Jeffrey Kightlinger
General Manager

By: _____
Setha E. Schlang
Senior Deputy General Counsel

By: _____
Stephen N. Arakawa, Manager
Water Resource Management

Date: _____

Date: _____

APPROVED AS TO FORM:

CITY OF TORRANCE
A Municipal Corporation

By: _____
John L. Fellows III
City Attorney

By: _____
Frank Scotto
Mayor

Date: _____

Date: _____

ATTEST:

By: _____
Sue Herbers
City Clerk

Date: _____

In duplicate
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Exhibit O-1

REGION-WIDE RESIDENTIAL CONSERVATION PROGRAM**ELIGIBLE DEVICES**

DEVICE/ITEM SUBJECT TO BE ADDED/DELETED	METROPOLITAN INCENTIVE
High-Efficiency Toilet (HET) <i>(Maximum of 1.28 gallons per flush; replacing 3.0 gallons per flush or greater)</i>	\$165.00
HET Upgrade <i>(Maximum of 1.28 gallons per flush; replacing ULFT 1.6 gallons per flush or greater into a new home)</i>	\$ 30.00
High Efficiency Clothes Washers (HECW) <i>(Requires a water of 5.0 or less)</i>	\$85.00
High Efficiency Clothes Washers (HECW) - using grant funds <i>(Requires a water of 5.0 or less)</i>	\$110.00
Weather Based Irrigation Controller (WBIC) <i>(less than one irrigated acre up to 12 stations)</i>	\$ 80.00
<i>(Must be tested for a list of qualifying devices refer to www.Irrigation.org, Swat Controller Reports, Performance Reports)</i>	
More than 12 stations	\$ 6.50 (per station)
Weather Based Irrigation Controller (WBIC) <i>(one irrigated acre or larger)</i>	\$630.00 (per acre)
Rotating Nozzles <i>(one time rebate per address)</i>	\$ 4.00
Synthetic Turf <i>(replacing irrigated area with synthetic turf grass) (one time rebate per address)</i>	\$ 0.30 (per sq. ft)

Note: All other devices must be administered and funded by each Member Agency.

Exhibit O-2

REGION-WIDE RESIDENTIAL CONSERVATION PROGRAM
DEVICE PARTICIPATION

DEVICE/ITEM <i>SUBJECT TO BE ADDED/DELETED</i>	REGION-WIDE PROGRAM	LOCAL PROGRAM
High-Efficiency Toilet (HET) <i>(Maximum of 1.28 gallons per flush; replacing 3.0 gallons per flush or greater)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HET Upgrade <i>(Maximum of 1.28 gallons per flush; replacing ULFT 1.6 gallons per flush or greater into a new home)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
High Efficiency Clothes Washers (HECW) - using grant funds <i>(Requires a water of 5.0 or less)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Weather Based Irrigation Controller (WBIC) <i>(less than one irrigated acre up to 12 stations)</i> <i>(Must be tested for a list of qualifying devices refer to www.Irrigation.org, Swat Controller Reports, Performance Reports)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Weather Based Irrigation Controller (WBIC) <i>(one irrigated acre or larger)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rotating Nozzles <i>(one time rebate per address)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Synthetic Turf <i>(replacing irrigated area with synthetic turf grass)</i> <i>(one time rebate per address)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Device Participation	
_____ Authorizing Signature General Manager/Designee	_____ Date

Exhibit O-3

REGION-WIDE RESIDENTIAL CONSERVATION PROGRAM

MEMBER AGENCY SUPPLEMENTAL FUNDING

DEVICE/ITEM <i>SUBJECT TO BE ADDED/DELETED</i>	METROPOLITAN INCENTIVE	MEMBER AGENCY SUPPLEMENT
High-Efficiency Toilet (HET) <i>(Maximum of 1.28 gallons per flush; replacing 3.0 gallons per flush or greater)</i>	\$165.00	\$
HET Upgrade <i>(Maximum of 1.28 gallons per flush; replacing ULFT 1.6 gallons per flush or greater into a new home)</i>	\$ 30.00	\$
High Efficiency Clothes Washers (HECW) - using grant funds <i>(Requires a water of 5.0 or less)</i>	\$110.00	\$
Weather Based Irrigation Controller (WBIC) <i>(less than one irrigated acre up to 12 stations)</i> <i>(Must be tested for a list of qualifying devices refer to www.Irrigation.org, Swat Controller Reports, Performance Reports)</i> More than 12 stations	\$ 80.00 \$6.50 (per station)	\$ \$
Weather Based Irrigation Controller (WBIC) <i>(one irrigated acre or larger)</i>	\$630.00 (per acre)	\$
Rotating Nozzles <i>(one time rebate per address)</i>	\$ 4.00	\$
Synthetic Turf <i>(replacing irrigated area with synthetic turf grass)</i> <i>(one time rebate per address)</i>	\$ 0.30 (per sq. ft)	\$

Member Agency Supplemental Funding		
Amount \$ _____	Starting Date _____	Ending Date _____
_____ Authorizing Signature General Manager/Designee		_____ Date