

Council Meeting of
February 10, 2009

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

SUBJECT: Public Works – Approve a Partnership Letter Agreement with the Water Replenishment District of Southern California for acceptance of \$40,000 in funding for the implementation of high priority water conservation programs. Expenditure: \$44,000.

RECOMMENDATION

Recommendation of the Public Works Director that City Council execute a Partnership Letter Agreement with the Water Replenishment District of Southern California to accept funding in the amount of \$40,000 for supplemental rebate incentives to implement certain region-wide high priority water conservation programs currently sponsored by the Metropolitan Water District of Southern California and the City of Torrance.

Funding

The initial funding of \$44,000 will be derived from the Water Enterprise Operating Budget, with \$40,000 to be offset from reimbursement. 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 AND ANALYSIS

The Water Replenishment District of Southern California (WRD) is responsible for replenishment and management of both the Central and West Coast Groundwater Basins, and ensuring the continued reliability of groundwater resources in the area. The WRD initially approved a pilot partnership conservation funding arrangements with local Metropolitan Water District (MWD) member agencies, including the City of Torrance, in fiscal 2007-08. In an effort to increase regional water supply reliability, the WRD Board of Director's approved continuation of a water conservation partnership arrangement with four MWD 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 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 approved a partnership arrangement for the second consecutive year with the local MWD member agencies, including Torrance, for the duration of fiscal 2008-09. Under this partnership arrangement, WRD will provide supplemental funding of \$40,000 to each of four local MWD member agencies for implementation of certain conservation programs under the

auspices of MWD's 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 retrofits with high efficiency toilets (HET).

The WRD partnership arrangement is voluntary and does not require any specific level of participation. 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 WRD for this amount. The only actual costs incurred by TMW will be approximately \$4,000 for supplemental 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, multi-family 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, 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.

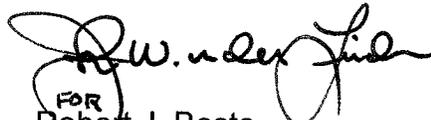
Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By: Charles Schaich
Senior Administrative Analyst

CONCUR:



FOR
Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Attachment: A. Letter Agreement with WRD

City Manager's Note:

This is the second year in which the Public Works department has received funding from the Water Replenishment District of Southern California. The Water Commission is aware of the funding.

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, Industrial and Institutional (CII) Rebate Program and Residential Conservation Program herein collectively "PROGRAMS", 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 five (5) months commencing February 10, 2009 and concluding June 30, 2009. At the end of March 2009 this partnership will be evaluated by the DISTRICT. At that time, if a Member Agency is not utilizing its allotment of \$40,000 the DISTRICT will meet with this Member Agency and reassess its plan and make recommendation to make sure that they use their allotment to the fullest.

SECTION 3 - CONTRIBUTION

Under this Partnership Agreement, WRD is providing a total not-to-exceed amount of \$40,000 for each of the four MWD member agencies (City of Long Beach, City of Torrance, West Basin MWD, and Central Basin MWD) not to exceed a total of \$160,000.

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: 310-781-6900

Fax: 310-781-6902

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

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

Attorneys for the Water Replenishment
District of Southern California

City of Torrance (Conservation Program), ("CONSULTANT")
a Municipal Corporation

Frank Scotto, Mayor

Print Name

ATTEST:

Sue Herbers
City Clerk

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

By: _____

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**

February 10, 2009

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 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 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 February 10, 2009 and ending June 30, 2009.

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 \$160,000.

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 \$160,000 among the four MWD member agencies named above.

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 four 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 \$40,000.

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.