

Agenda Report

November 17, 2003

To: City Council

From: City Manager

Subject: Authorization to execute an agreement with the Metropolitan Water District (MWD) encompassing all of its co-sponsored residential water conservation programs.

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute an agreement with the MWD in order to encompass all of its co-sponsored residential water conservation programs in one single contract platform and thus supercede existing individual program agreements.

BACKGROUND:

Pasadena Water and Power (PWP) promotes water conservation programs to encourage the efficient use of water by its residential and business customers. Many of the residential programs offer rebates to customers via a pass-through rebate from the MWD. Presently, all such existing residential programs with MWD are governed by separate contracts. MWD would prefer to replace and supercede the existing contracts with a comprehensive single agreement platform that can be administered by both MWD and participating members. This new agreement is viewed as a better contract vehicle which would allow additional programs to be added more simply in the future and extends the term of existing programs through June 2006. The contract terms are substantially similar to the City's existing contracts on such programs. Additionally, the agreement is "evergreen" and can be terminated on 30 days. Programs for commercial customers will remain as individual contracts until further notice from MWD.

PWP currently offers the following water conservation programs with the support of MWD:

Ultra Low Flow Toilets (ULFT) - PWP is providing a \$60 rebate to its residential water customers who purchase and install ULFTs if they replace a non ultra low flow toilet. PWP is then reimbursed by MWD. Rebates are limited to two toilets, and MWD provides 100% funding.

Residential High Efficiency Clothes Washer (HECW) – residential customers receive a rebate for the purchase and installation of an approved High Efficiency (HE) washing machine. These state-of-the-art clothes washers use up to 50% less water and cost approximately 40% more than similar conventional clothes washers. The annual average water savings are estimated to be 7,000 gallons per residence. Under the program, customers receive a \$100 rebate from PWP, which would be reimbursed by MWD.

Evapotranspiration (ET) Landscape Irrigation Controllers - Residential customers receive a rebate for the purchase and installation of a high-tech irrigation controller. The controller connects the real-time information collected by weather stations and sensors to accurately provide irrigation control on the ground. Each electronic controller contains extensive information regarding soil types, landscape slopes, plant materials, and sprinkler application rates. This allows the controller to supply the irrigation water required to make up for the lost ET (the rate at which plants lose water through evaporation and transpiration) while minimizing losses due to runoff. Studies have found an average water savings of 13,500 gallons per location. A \$65 rebate is available from PWP, and reimbursed by MWD.

Dual-Flush Toilets. – Customers receive a rebate for the purchase and installation of a dual-flush toilet. The dual-flush toilet operates at 1.6 gallons per flush for solids and 0.8 gallons per flush for liquids. This type of water-efficient toilet is common in other countries and recently was approved for sale in the United States. These toilets have two levers, one lever to flush for liquids and the other for solids. The liquid-lever option uses half the water used in today's standard low-flush toilet. The average cost for a dual-flush toilet is \$200, with average additional water savings measured at 2,250 gallons per year per toilet. Under the program, customers receive an \$80 rebate from PWP, which is reimbursed by MWD.

Periodically, MWD and member agencies partner to explore potential benefits of new water conservation actions. Often, these result in new proposed technologies and programs (with incentive levels or costs) that are adopted for implementation and offered to member agencies. These programs would then become available through the comprehensive contract.

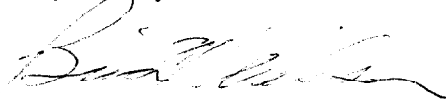
FISCAL IMPACT

All rebates associated with the aforementioned water conservation programs paid by PWP are reimbursed by MWD. Sufficient funds for administering these water conservation programs by PWP staff are included in the approved 2004 Fiscal Year budget for the Water Fund, Utility Rebates, Account 8176.

Respectfully submitted,

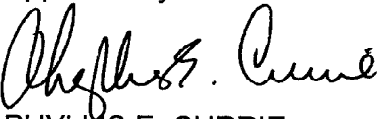

CYNTHIA S. KURTZ
City Manager

Prepared by:



BRIAN M. WILSON
Management Analyst V
Pasadena Water and Power

Approved by:



PHYLLIS E. CURRIE
General Manager
Pasadena Water and Power