

**WEST BASIN MUNICIPAL WATER DISTRICT**

**APRIL 6, 2006 - Jt. Communications**

Little, Kwan

**APRIL 24, 2006 - Board Meeting**

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Approved by: Rich Nagel

## ACTION CALENDAR

### ULTRA-LOW FLUSH TOILET (ULFT) AND HIGH-EFFICIENCY TOILET (HET) REBATE EXTENSION

#### SUMMARY:

The District's current agreement with its vendor, ExPERT, Inc., will expire on June 30, 2006. Under Agreement No. W1503, the vendor is currently administering the District's ULFT and HET Rebate Program at a not-to-exceed amount of \$100,000.

The District currently receives \$60 per ULFT from MWD and provides this incentive to the vendor. The customer receives \$50 as a rebate and the remaining \$10 is used to pay the vendor to administrate the rebate.

Two years ago, ExpERT, Inc. bid on this program and was awarded a contract. They are currently performing an adequate job in administering the ULFT and HET Rebate Program; therefore, staff is recommending extending their contract for an additional year through June 30, 2007.

#### **MWD Strategy Plan**

As part of MWD's new five-year Conservation Strategic Plan, MWD re-evaluated its avoided cost of water. Since the 1990's, there have been increases in energy, treatment and inflation; therefore, MWD's recent analysis resulted in a higher avoided cost of \$195/AF.

The new avoided cost figure has allowed MWD to increase their incentive for HETs, from the current \$80 per device to \$165 per device.

An HET saves 20% more water than a 1.6 gallon per flush (gpf) and uses 1.3 gpf or less. For example, the Caroma Dual-Flush Toilet is considered an HET and averages 1 gpf, between its .8 and 1.6 dual button flushes.

As part of its strategy, MWD will be phasing-out the \$60 per 1.6 gpf toilet in 2009. The goal is to begin promoting HETs in order to help the market move from ULFTs to HETs.

Also, beginning on July 1, 2006, MWD will only provide the \$60 ULFT rebate for those toilets listed in the Supplementary Purchase Specification (SPS) (see Exhibit "A"). The toilets listed in the SPS have been tested and meet the performance requirements. This list will be provided on the District's web site and will be updated accordingly.

## **District's Conservation Master Plan**

Staff and its consultant are currently developing the District's new Conservation Master Plan "Plan" that will include a five-year Action Plan. Staff is aware of the upcoming changes to MWD's incentives and is taking a proactive approach by recommending changes that will enhance the District's distribution programs. Also, by extending this agreement by one-year, staff will use the results from the master plan process to enhance the current rebate program and/or recommend new strategies.

### Year 1 (FY 2006-07) Improvements

As part of its strategy for the toilet rebate programs, the District will only rebate on the toilets listed in the SPS list per MWD's contractual requirements.

#### ULFT Toilet Rebates

Since the District will continue receiving \$60 per ULFT, the District's vendor will continue providing the public with a \$50 rebate for those ULFTs listed in the SPS list, and use the remaining \$10 to administrate the rebate program. This rebate program will be phased-out in 2009 to coincide with MWD's phase-out of the program.

#### HET Toilet Rebates

MWD has increased its HET rebate from \$80/HET to \$165/HET. Therefore, staff is recommending providing its vendor \$15 to market and administer the program, and provide the remaining \$150 rebate to the public for the purchase of HETs.

#### FISCAL IMPACTS:

Funds are included in the Conservation Budget FY 2006-07. All funding for this rebate program will be reimbursed by MWD.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### COMMITTEE STATUS:

This item was reviewed by the West Basin Joint Communications Committee members on April 6, 2006 and was recommended for approval at the April 24, 2006 Board meeting.

#### RECOMMENDED MOTIONS:

That the Board authorizes the District's Chief Representative to extend Agreement No. W1503 with ExPERT, Inc. for one-year with the following provisions:

1. Extend the term of the contract through June 30, 2007;
2. Continue providing the MWD \$60 per unit incentive for ULFTs to the vendor, whereby they will use \$10 to administrate the program and provide the remaining \$50 to the customer as a rebate for only those toilets on the SPS list.

3. Increase the prior MWD HET Incentive of \$80 per unit to \$165 per unit; and from the \$165 HET Incentive, provide the vendor with \$15 to market and administer the rebate and provide the remaining \$150 to customers for the purchase of qualifying HETs and;
4. To maintain the not-to-exceed amount to \$100,000 for FY 2006-07.

EXHIBITS:

Exhibit "A" - Supplementary Purchase Specification (SPS) List

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