

CENTRAL BASIN MUNICIPAL WATER DISTRICT

APRIL 6, 2006 - Jt. Communications

Apodaca, Hawkins

APRIL 24, 2006 - Board Meeting

Prepared by: Gus Meza

Submitted by: Art Aguilar

Approved by: Art Aguilar

ACTION CALENDAR

ULTRA-LOW FLUSH TOILET (ULFT) AND HIGH-EFFICIENCY TOILET (HET)
REBATE SERVICESSUMMARY:

The District's current agreement with its vendor, the Oldtimers Foundation, will expire on June 30, 2006. Under Agreement No. C1510, the vendor is currently administrating 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 administer the rebate.

Two years ago, the Oldtimers Foundation bid on this program and was awarded a contract. They are currently performing an excellent 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). The Plan will also 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, extending the contract one-year will provide staff time to use the results from the master plan process to recommend enhancing current programs and developing new ones.

Year 1 (FY 2006-07) Improvements

As part of its strategy for the toilet rebate programs, the District will only provide a rebate on the toilets listed in the SPS list, per the District's conservation agreement with MWD.

ULFT Toilet Rebates

Since the District will continue to 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. 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 Central 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. C1511 with the Oldtimers Foundation 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 (see Exhibit "A");
3. Increase the prior MWD HET Incentives of \$80 per unit to \$165 per unit; and from the \$165 HET Incentive, provide the vendor with \$15 to market and administrate the rebate and provide the remaining \$150 to customers for the purchase of qualifying HETs, and;
4. To maintain the not-to-exceed amount of \$100,000 for FY 2006-07.

EXHIBITS:

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