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From the Los Angeles Times

MWD stops paying rebates for water-saving devices

The district finds its conservation credit program is too popular with vendors and customers to support financially. Some vendors are experiencing money problems.
By Nicole Santa Cruz

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A cash-strapped conservation credit program run by the Metropolitan Water District of Southern California has stopped paying vendors and customers for installing water-saving toilets and appliances.

Though the program has been deemed highly successful, demand for the rebates has increased threefold over the last two years.

In May, the water district moved to suspend the program, said Bob Muir, a spokesman for it.

The incentive program provides rebates to customers and vendors such as ReGreen Corp., a Los Angeles-based company that installs water-efficient devices, including toilets and washing machines, for clients.

The district sells water to 26 public agencies in Southern California.

"We weren't able to keep up with the demand that was coming in," Muir said.

By the time officials did catch up with a backlog of rebate requests -- after adding $20 million in funds to the program, suspending it, then auditing it -- they found that they had $14.2 million in outstanding payments to customers and vendors.

Debra Man, chief operating officer for the water district, said its intent is to pay outstanding debts within the next 30 days.

"We will make every effort to make sure they will be reimbursed," she said. "We recognize that it is important for us to pay the validated pending payments as soon as possible."

Muir said the water district is revamping the program to make sure the same mistakes don't happen again, and hopes to relaunch it sometime in the next month.

But it might be too late for some.

David Duel, one of the owners of ReGreen, said he had to lay off 45 of the company's 52 employees after the district failed to pay the company about $900,000.

"In every sense, we've had to downsize our company," Duel said. "We're just trying to survive."

Marie Ager, director for California Toilet Replacements, a company that installs high-efficiency toilets in multifamily apartments, said her family's business is owed $282,165 for installing high-efficiency toilets in Los Angeles, San Diego and Burbank.

"We pay for all the toilets. We paid the plumbers. We did the work," Ager said.

Ager said she was not doing business anymore because she can't afford to pay plumbers or buy the toilets from vendors.

"Our credit's been cut off," she said.

She said both she and her father have mortgaged their houses."I'm going to lose my house, and my father is going to lose his house if they don't pay us," she said.

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