



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 16

AUGUST 5, 2009 – Communications

Gray (Chair), Kwan

AUGUST 24, 2009 – Board Meeting

Prepared by: Gus Meza

Submitted by: Ron Wildermuth

Approved by: Rich Nagel

ACTION CALENDAR

HIGH-EFFICIENCY TOILET DISTRIBUTION CONTRACT

SUMMARY:

West Basin Municipal Water District's (West Basin) free High-Efficiency Toilet (HET) Distribution Program continues to be an effective conservation program that replaces older inefficient 3 – 5 gallon toilets with new 1.28 HET gallon toilets. Since the early 1990's, West Basin has invested in providing the residents of the South Bay with free water efficient toilets in exchange for their older inefficient models. This investment by West Basin and its partners has led to millions of gallons of imported water saved annually.

Funding Challenges

In order to conduct these programs, West Basin partners with the Metropolitan Water District (MWD) and the local water purveyors.

For Fiscal Year 2009-10, the MWD Board approved to reduce the HET incentive from \$195 to \$50 per HET, as a cost saving measure. This change will impact West Basin's free HET Distribution Programs.

In May 2009, the Board approved the HET Budget to reflect the increased costs to West Basin. At that time, the Budget along with funding from its local water retailers allowed for three distribution events for Fiscal Year 2009-10 at 500 HETs per event.

In order to prepare for this incentive change, staff had conversations with its current vendor Southwest Environmental, and they have agreed to reduce the cost per unit to implement the distribution events from \$242 per toilet to \$222.

Staff has also discussed this change with its local water purveyors and they have agreed to increase their cost share for the program from \$66 per toilet to \$86.

This program is contingent on West Basin receiving MWD's incentive and the continued funding from the retail water agencies. Any changes to these partnership funds will be communicated to the Board.

HET Distribution Events

Due to MWD's funding constraints after March 2009, West Basin was unable to conduct the full 500 HET distributions in two Divisions. After discussion at the July Communications Committee, in order to provide equity among the Divisions, staff reviewed the HET Program events since 2005 and the number of toilets distributed in each Division (Exhibit "A"). Since 2005, two (2) events have been conducted in Divisions I, II, III & IV and three (3) events in Division V. In the past, conducting these events in each Division has been on a rotating basis.

Since the July Committee discussion, staff has developed three (3) options for consideration in conducting the FY 2009-10 HET Program:

- **Option 1** - Continue to conduct three (3) events on the rotating basis in Divisions I, II and III at 500 HETs per event and within the approved Budget.
- **Option 2** – Conduct four (4) events dividing the 1,500 HETs to provide equity among the number of events conducted in each Division since 2005 and to provide balance to the number of toilets distributed:
 - Division I 325
 - Division II 325
 - Division III 350
 - Division IV 500

The vendor cost to conduct a fourth event is \$6 per HET at 1,500 HETs for an additional amount of \$9,000, which is not included in the Budget.

- **Option 3** – The Board could approve conducting five (5) events in FY 2009-10 at 300 HETs per Division. This option would cost an additional \$22 per HET for a total of \$33,000, which is not included in the Budget.

Southwest Environmental

Staff is very pleased with the quality of work and professionalism of its current vendor, Southwest Environmental. Staff has received many compliments from residents, city personnel, West Basin Directors and others.

Therefore, staff is recommending extending the current vendor contract with Southwest Environmental for an additional year at the newly negotiated price of \$222 per toilet for three (3) events or \$228 per HET to conduct four (4) events.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 1, Reliability – Maintain a level of local water reliability that supports the regional economy, our community and customer agency needs.

Goal 5, Customer/Community Services – Provide for the needs of our customer agencies and the communities we serve in a way that reflects their needs.

COMMITMENT STATEMENT:

Water Reliability – West Basin is committed to innovative planning and investment to provide water supply reliability and drought protection.

Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and the communities we serve.

FISCAL IMPACTS:

A total of \$333,000 has been included in the FY 2009-10 Budget to cover the entire cost of conducting three (3) HET Events at 500 HETs per event. West Basin will be reimbursed \$75,000 by Metropolitan and \$129,000 by the retail water agencies. After reimbursements are collected, West Basin's cost for the program will be \$129,000 for the three (3) events.

The cost to conduct one additional event for a total of four events is \$9,000 and is not included in the FY 2009-10 Budget.

The cost to conduct two additional events for a total of five events is \$33,000 and is not included in the FY 2009-10 Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Communications Committee on August 5, 2009 and recommended Option 2 for approval at the August 24, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board considers approving Option 2 to conduct the FY 2009-10 HET Program for an amount not to exceed \$342,000 and to extend the Southwest Environmental contract for an additional year and expire on June 30, 2010.

LIST OF EXHIBITS:

Exhibit "A" – Toilet Distributions - Recent History

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