



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

AGENDA NO. 17

JULY 8, 2009 – Communications

Gray (Chair), Kwan

JULY 27, 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 to be saved annually.

For the current Fiscal Year 2008-09, West Basin's vendor, Southwest Environmental, has conducted four successful HET Distribution Events. They were conducted in the following Divisions:

- | | |
|---------------------------------------------|----------------------|
| • Division 1 – Director Smith, Carson | Distributed 692 HETs |
| • Division 3 – Director Kwan, Lomita | Distributed 549 HETs |
| • Division 4 - Director Little, Culver City | Distributed 350 HETs |
| • Division 5 – Director Dear, Hawthorne | Distributed 350 HETs |

The HETs distributed through these four events will help conserve 78 acre-feet annually. These events will continue to support West Basin's Water Reliability 2020 goals of doubling its water conservation efforts.

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 order to prepare for this incentive change, staff has had conversations with its current vendor Southwest Environmental, and they have agreed to reduce their per unit cost to implement the distribution events. Staff has also discussed this change with its local water purveyors and they too have agreed to increase their cost share for the program.

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.

Southwest Environmental

Southwest Environmental is currently charging West Basin \$242 per toilet. This cost per toilet, includes the cost to purchase the toilet, the funding for volunteer assistance, for program coordination, lunch, labor, recycling of old toilets and marketing. Southwest is willing to drop its cost down to \$222 per toilet to match the new incentive levels. This new rate is for conducting three events at 500 toilets per event, for a total of 1,500 toilets.

Changes to Incentive Levels

Below is a table showing the old funding levels and the new proposed funding levels.

Funding Partner	Old Funding Levels FY 2008-09	New Funding Levels FY 2009-10	Changes to Agency Funding
MWD	\$195 per HET	** \$50 per HET	-\$145
Retail Agencies	\$66	** \$86	+\$20
West Basin	\$66	\$86	+\$20

This table illustrates the following:

- MWD reduced its HET incentive from \$195 to \$50;
- West Basin's retail funding partners are willing to increase their funding from \$66 per HET to \$86 per HET; and that
- West Basin's cost share per HET will also increase from \$66 to \$86 per HET.

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

**** The events will be contingent on funding from MWD and its water purveyors. Any future funding issues impacting this program will be provided to the Board in a timely manner.**

Fiscal Year 2009-10 Events

Staff is rotating the Divisions equally as shown in Exhibit A. Therefore, the following Divisions are next in line for events this coming fiscal year.

- Division 2 – Director Gray
- Division 1 – Director Smith
- Division 3 – Director Kwan

Summary

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 its current vendor contract with Southwest Environmental for an additional year at the newly negotiated price of \$222 per toilet, for three events, at 500 HETs per event.

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 budgeted to cover the entire cost of conducting three 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 cost for the programs will be \$129,000 for the three events.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Communications Committee on July 8, 2009 and recommended for approval at the July 27, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to extend the current Southwest Environmental Agreement through June 30, 2010 and to pay Southwest Environmental at the lower negotiated and budgeted rate of \$222 per HET for a total of 1,500 HETs (three events at 500 HETs each) and for a not-to-exceed contract amount of \$333,000.

LIST OF EXHIBITS:

Exhibit A – Toilet Distributions - Recent History

w:westbasinboard/wbmwd/july2009/09jul004 REVISED