

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

June 25, 1993

(Water Problems Committee--Action)
To: Board of Directors (Finance and Insurance Committee--Action)

From: General Manager

Subject: Request for Flat-Rate Funding for the 1993-94 Fiscal Year
Ultra-Low-Flush Toilet Program

Report

In March 1993 your Board adopted, for the remainder of the 1992-93 fiscal year, a flat-rate funding policy for the ultra-low-flush (ULF) toilet replacement program. Approximately \$2 million was allocated for funding projects at \$60 per ULF toilet.

Member agency response to the flat-rate funding approach has been extremely positive. Since the \$60 flat-rate policy was adopted, Metropolitan has entered into nine new contracts totaling \$2,189,760 for the installation of 36,496 ULF toilets and has six additional proposals pending for another 27,583 ULF toilets and \$1,654,980 of funding at the \$60 flat-rate (see Attachment A for details).

Staff proposes continuation of the \$60 flat-rate funding policy. Based on average historical costs of ULF toilet replacement projects, this rate of funding appears appropriate. It provides adequate incentive to agencies and end-users that might not otherwise participate in ULF toilet replacement projects. During the last four months, the flat-rate funding policy has been a key component of the success of Metropolitan's program in stressed financial times. This rate, when coupled with Metropolitan's community-based-organization-implemented, bulk-purchase, turn-key marketing strategy, provides the opportunity to develop ULF toilet replacement projects that provide end-users with toilets at little or no cost.

Staff also proposes your Board allocate \$12 million for ULF toilet replacement projects from the existing, Board-approved 1993-94 Conservation budget of \$21.75 million. It is anticipated that during fiscal year 1993-94, all member agencies will request such projects.

Relative to the demand for funds, it should be noted that contracts entered into with member agencies for turn-key ULF toilet replacement projects require no payment of funds by

Metropolitan to the member agencies upon initiation of the contracts. Instead, Metropolitan pays its ULF toilet program contractor to implement the project, and then progressively invoices the member agency for the number of toilets retrofitted by the program contractor over the term of the project. Consequently, much of the funding required to support those turn-key projects contracted since March 1993 will be derived from the 1993-94 ULF toilet replacement budget requested above.

Staff will make periodic reports to your Board to apprise it of the status of its ULF toilet replacement program.

This action is exempt from provisions of the California Environmental Quality Act in that there is no possibility that it may have a significant effect on the environment.

Board Committee Assignments

This letter is referred for action to:

The Water Problems Committee because of its authority to make recommendations regarding policies on water conservation, pursuant to Administrative Code Section 2481(i); and

The Finance and Insurance Committee because of its authority to study, advise, and make recommendations in matters concerning the disposition of funds, pursuant to Administrative Code Section 2441(c).

Recommendation

WATER PROBLEMS COMMITTEE AND FINANCE AND INSURANCE COMMITTEE FOR ACTION.

It is recommended that: a) member agency ultra-low-flush toilet replacement projects be funded at a flat rate of \$60 per ULF toilet installed; b) \$12 million be allocated for ultra-low-flush toilet replacement projects for fiscal year 1993-94; and c) the General Manager be authorized to enter into ultra-low-flush toilet replacement agreements in excess of \$250,000 with member agencies; the agreements to be in form approved by the General Counsel.

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for
W. L. Bergeson
General Manager

Attachments

ATTACHMENT A

Applications for Funding in Fiscal Year 1992-93
Metropolitan Share \$60/ULFT

Agency/Subagency	No. of Toilets	Metropolitan's Participation
Central Basin/West Basin	12,500	\$750,000
Coastal/Tri-Cities/San Clemente	2,000	\$120,000
MWDOC/So. Cal. Water Co.	500	\$30,000
MWDOC	10,000	\$600,000
SDCWA	7,746	\$464,760
Three Valleys/Rowland	250	\$15,000
Three Valleys/So. Cal. Water Co.	500	\$30,000
Upper San Gab Val MWD	1,000	\$60,000
West Basin	2,000	\$120,000
TOTAL	36,496	\$2,189,760

Applications for Funding in Fiscal Year 1993-94
Metropolitan Share \$60/ULFT

Agency/Subagency	No. of Toilets	Metropolitan's Participation
Long Beach	1,000	\$60,000
MWDOC	20,500	\$1,230,000
Santa Ana	500	\$30,000
Three Valleys/Pomona	250	\$15,000
Three Valleys/LaVerne	333	\$19,980
Torrance	5,000	\$300,000
TOTAL	27,583	\$1,654,980