

FEB -8 1994



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Karen E. Duff
EXECUTIVE SECRETARY

January 19, 1994

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

From: General Manager

Subject: Increased Funding of Ultra-Low-Flush Toilet Retrofit Programs

Report

In July 1993, your Board both adopted a flat-rate funding policy of \$60 per toilet for ultra-low-flush (ULF) toilet replacement programs, and authorized staff to enter into agreements with member agencies for up to \$12 million in fiscal year (FY) 1993-94. The \$12 million was to be funded out of the Board-approved conservation budget of \$19.4 million for FY 1993-94.

Largely due to the overwhelming acceptance by member agencies and subagencies of Metropolitan's turn-key ULF toilet program implemented with community-based-organizations (CBOs), the request for funding of ULF toilet programs has been greater than expected. Now in the beginning of its second year of implementation, member agency response to the CBO program has exceeded staff's original expectations to an even greater extent. This increased interest is due to: (1) the opportunity to distribute ULF toilets to various sectors of their customer base which the traditional rebate marketing approach fails to reach (e.g. retirees, low income and ethnic communities); and (2) the ease of program implementation (the turn-key nature of the CBO program means less agency staff support is required). Based on ULF toilet contracts completed with member agencies this fiscal year and project requests that are pending, Metropolitan's total ULF toilet expenditures for FY 1993-94 could reach \$15 million.

Staff estimates current agency demand for ULF toilet projects will require an additional \$3 million commitment in the current fiscal year in excess of the existing ULF toilet allocation of \$12 million. This increased allocation will not require any increase in the overall conservation budget of \$19.4 million, but will be derived from the reallocation of those budgeted funds that are not expected to be spent this fiscal year. There are several reasons for this unspent budget. First, many member agencies and subagencies lack

sufficient budget to match available Metropolitan funding; second, significant portions of those agency budgets are designated for ULF toilet programs; and third, new conservation programs are requiring more time to be developed and accepted by member agencies than was originally anticipated.

This action is exempt from provisions of the California Environmental Quality Act in that there is no possibility that it may have a significant adverse 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(a); and

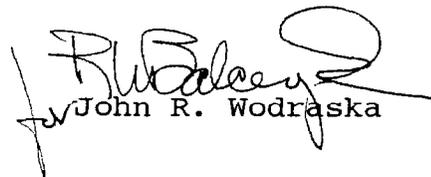
The Finance and Insurance Committee because of its authority to study, advise, and make recommendations in matters concerning the disposition of funds, pursuant to Administrative Code Section 2441(c).

Recommendations

WATER PROBLEMS AND FINANCE AND INSURANCE COMMITTEES FOR ACTION.

It is recommended that: (1) the existing \$12 million ultra-low-flush (ULF) toilet allocation be increased by \$3 million for fiscal year 1993-94; and (2) the General Manager continue to be authorized to enter into ULF toilet agreements in excess of \$250,000 with member agencies and other parties as he deems necessary to implement ULF toilet projects as outlined in this letter, and the agreements to be in form approved by the General Counsel.

JPW:cl


for John R. Wodraska