

Council meeting of
August 5, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Authorize the Public Works Director to submit an application(s) to the Metropolitan Water District of Southern California to participate in the Public Sector Conservation Program. Expenditure: Approximately \$60,000 to fund contract installation costs for water saving fixtures and devices and related expenditures.

RECOMMENDATION

Recommendation of the Torrance Water Commission and the Public Works Director to submit an application(s) to the Metropolitan Water District of Southern California (MWD) for participation in the Public Sector Conservation Program, and appropriate \$60,000 from the Water Revenue Enterprise Fund to cover installation and related costs. Funding derived from Metropolitan will pay for material costs for water savings fixtures and devices in both City and other public agency buildings and grounds.

Funding

Funding in the amount of \$60,000 will be derived from an appropriation from the Water Revenue Enterprise Fund.

BACKGROUND

In the summer of 2007, the Metropolitan Water District (MWD) Board of Directors authorized the adoption of an innovative conservation program for public sector agencies known as the Public Sector Water Efficiency Partnership Demonstration Program. The program became operational earlier this year and has proven successful. By adopting this program, MWD committed to working closely with its member agencies, including Torrance, to implement accelerated conservation measures in public sector agencies (cities, counties, public schools and special districts).

Metropolitan's Public Sector has four separate components to increase water use efficiency in the public sector. The program components are:

- Water Audits – Audits of interior buildings and exterior grounds for agencies requiring this service. The audit is not a requirement for participation and funding is limited.
- Enhanced Device Incentives – Increased incentives to pay for material costs for retrofits of toilets, urinals, landscape controllers and sprinkler nozzles with approved water saving units. This is the program component that has the most potential for Torrance and for most other agencies.
- Pay for Performance – Incentives to save water other than through device retrofits.
- Customer Connections to Recycled Water Systems – This provides a partial payment of customer's cost to connect to the recycled water system. This component will be utilized when the next extension of the recycled water system is implemented in the city.

The Public Sector Program provides enhanced payment amounts above current rebate schedules for both interior and exterior retrofits to encourage public agencies to change out older water fixtures and devices with water efficient models. Participation in the program requires the agency to file an application with Metropolitan along with pertinent required baseline data to receive funding. The application filing reserves requested funding. The program permits the participating agency to submit multiple applications in order for the agency to implement various programs on a phased basis. Unlike other MWD sponsored conservation programs, the Public Sector Program provides advance funding for material costs, rather than rebates for eligible water saving devices and fixtures

Metropolitan's funding schedule will be sufficient to pay for the material costs for eligible device/fixture retrofits. However, MWD will not pay for actual installation costs, which are borne by the applicant. The Metropolitan Water District has provided initial funding of \$15 million for program implementation. Although the program is available on a first come basis until funding is fully utilized, it appears likely that MWD will extend the program and provide additional funding.

ANALYSIS

Staff has met with representatives of the Metropolitan Water District and the City's General Services, Public Works and Community Services departments and the Torrance Unified School District to consider opportunities for participation in this program. In meetings with the General Services Department, which manages and maintains City buildings including restrooms, it was determined that the retrofit of older high water using toilets and urinals with low water using models was a high priority to achieve significant water savings.

As a result, the Public Works Department, in conjunction with representatives of the General Services Department, conducted a survey of restrooms of almost all City buildings to obtain required baseline information to submit an initial application to MWD for retrofit of eligible restroom fixtures. The survey indicates that approximately 250 toilets and 65 urinals can be changed immediately in City owned buildings.

The City would accrue substantial benefits by participating in the Public Sector Program including: replacement of older bathroom fixtures with new units; a reduction of maintenance associated with repair of bathroom fixtures; substantial water conservation savings; a significant reduction in water costs and setting a positive example of conservation stewardship for the community. Preliminary estimates indicate that the water savings in this first phase program would amount to approximately three million gallons annually and that the City would realize a water cost savings of approximately \$10,000 to \$12,000 per year.

Based on current fixture costs, MWD would provide approximately \$160,000 in up front funding to cover material costs for the retrofit of these facilities. The program requires the amount of funding received for each application phase be expended within 90 days of receipt of monies from Metropolitan. Considering these time constraints and the limited staff resources of General Services, almost all of the approximately 315 toilets and urinals included in the initial phase will need to be installed by a contractor at an estimated cost of approximately \$100 per fixture unit. The installation contract would be awarded competitively and the funding will be derived from a proposed appropriation of \$60,000 from the Water Enterprise Fund. With the filing of the initial application, it is expected that all of these fixtures in the first phase project could be retrofitted by the end of year.

In addition to interior bathroom fixture retrofits, the Public Sector Program provides for exterior retrofits of landscape irrigation controllers, sprinkler nozzles and related improvements to make public landscape areas more water efficient. Staff is currently working with an outside party in conjunction with the Parks Division of the Community Services Department and the Streetscape Division of the Public Works Department to develop a water efficient landscape project for selected parks and landscape medians. The program would consist primarily of the installation of weather-based controller systems and the replacement of sprinkler nozzles with water conserving units. This can be implemented at little or no cost to the City.

Assuming the extension of the Public Sector Program by the Metropolitan Water District, additional application phases of the program could include interior and exterior retrofit program(s) with the Torrance Unified School District, Caltrans rights of way, and other public agencies facilities located within the City.

Water Commission Action

The Water Commission considered participation in the Public Sector program at its regular Commission meeting held on July 17, 2008. After careful deliberation regarding the matter, the Commission unanimously supported a proposal recommending that the City Council authorize participation in the Public Sector program to maximum feasible extent.

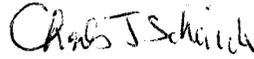
Respectfully submitted,

WATER COMMISSION



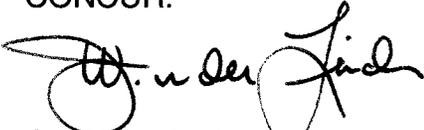
Ken Lew
Water Commission Chair

ROBERT J. BESTE
Public Works Director



By: Charles J. Schaich
Senior Administrative Analyst

CONCUR:



Jack van der Linden
Deputy Public Works Director



Robert J. Beste
Public Works Director

NOTED:



LeRoy J. Jackson
City Manager