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WATER FOR TOMORROW CONTINUING 2008 AND 2009 PROGRAMS WITH RESOURCE MANAGEMENT STRATEGIES INC.

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, May 22, 2008, from the Commissioner of Environmental Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council enter into a contract with Resource Management Strategies Inc. for provision of water efficiency programs as described in section 4 at a cost of \$867,909 excluding GST, pursuant to the sole source provisions of the Purchasing By-law.
2. The Commissioner of Environmental Services be authorized to enter into the above contract, subject to the prior review of Legal Services.
3. The Regional Clerk circulate this report to the Clerks of the nine local municipalities for information.

2. PURPOSE

Continue the Success of Water for Tomorrow

The purpose of this report is to:

Obtain authorization to retain Resource Management Strategies Inc. to provide the following water efficiency programs:

1. Instant rebate sales event with one or more partnering retailers, offering instant rebates of \$60-\$75 to residents of single family dwellings on approved water efficient toilets.
2. Continue current Education and maintenance programs in 2009, including Public Education, Summer Water Use Reduction, Youth Education, Children's Water Festival and Toilet Flapper/Showerhead Maintenance.

3. BACKGROUND

A brief history of the *Water for Tomorrow* contract with Resource Management Strategies Inc.

The Region retained United Utilities Canada Limited (UUCL) in 1997 to develop and implement a water use efficiency program as identified in the 1996 Water Supply Master Plan. The water efficiency program, *Water for Tomorrow*, began as a six year capital program followed by two years of maintenance and was completed in 2006. UUCL was subsequently retained until December 31, 2008 to continue with provision of the following services for the *Water for Tomorrow* program:

- Public Education
- Youth Education
- Summer Water Use Reduction
- Toilet Flapper/Showerhead Maintenance
- Children's Water Festival

In 2005 UUCL indicated it would be exiting this market sector. Resource Management Strategies Inc. (RMSi) was formed from key personnel in the UUCL water efficiency group including the project manager who initially developed and managed the program. In 2005 Council authorized York Region staff to assign purchase orders relating to water efficiency and the *Water for Tomorrow* program to RMSi (see Clause 2 of Report No. 9 of the Transportation and Works Committee November 17, 2005).

New Water Efficiency Programs

Regional Council, at its meeting on June 21, 2007, adopted Clause 3 of Report No. 6 of the Transportation and Works Committee, which highlighted the recommendations of the Water Efficiency Master Plan Update. The Water Efficiency Master Plan Update recommended a 10-year strategy with five major components summarized below:

1. Rebate Program
 - Water efficient fixture rebates including ultra-low-flush and high efficient toilets, efficient clothes washers, irrigation controllers and rain barrels.
 - Residential indoor and outdoor water efficiency audits.
 - Free pre-rinse spray valve retrofit.
2. Industrial Commercial and Institutional Program
 - Industrial water use audit and capacity buy-back.
3. Distribution Leak Detection Program
 - Leak detection on municipally owned water distribution system.

4. Education Program
 - Youth education such as Children's Water Festival.
 - Bulletins, promotion of water conservation, seminars, public events etc.
5. Monitoring and Evaluation
 - Monitor and evaluate participation and water savings in all programs.

Water Efficient Toilet Sale was a Huge Success

The Water Efficiency Master Plan Update identified ultra-low-flush and high efficiency toilet rebates as a key item in the Residential Rebate program and large contributor to water savings in the 10-year strategy. Strong public interest in rebates for water efficient toilets led the Region to consider a partnership proposed by The Home Depot for a weekend instant rebate sales event. This first event would satisfy the many resident requests for a rebate in 2008 and determine the level of interest in the community.

On April 5th and 6th, 2008, the Region held its first Instant Rebate Sales Event in partnership with The Home Depot, and coordinated this initiative with the City of Toronto and the Region of Peel. A total of 1,310 water efficient toilets were sold, including 895 ultra-low flush toilets (6 litre) and 415 high efficiency toilets (4.8 litre), from an approved list, at seven locations across the Region. This translates into an estimated savings of 48,625 litres of water per day.

This event was managed by Resource Management Strategies Inc. (RMSi) as an extension of their current contract to provide the water efficiency programs.

4. ANALYSIS AND OPTIONS

Keeping strong public interest and commitment to Water Conservation

There is strong community interest in the new initiatives recommended in the Water Efficiency Master Plan Update due to a growing interest in water efficiency and conservation. Staff have determined the best way to continue to save water and satisfy the residents of York Region is to continue with the existing education and retrofit maintenance program, begin to offer rebates to residents and businesses in 2009 and phase in remaining programs over two years. This will ensure little interruption to the existing *Water for Tomorrow* initiatives and help maintain the savings achieved since 1998. During 2008 staff will develop the scope of work and requests for proposals to update the Region's Water Efficiency programs based on recommendations of the Water Efficiency Master Plan Update.

The response from the residents regarding instant rebate toilet sales and rain barrel sales event held in the Spring 2008 was very positive, with a clear unifying theme, residents of

York Region consider water conservation to be an important issue and they are eager to make a difference now.

Continuing Programs with Resource Management Strategies Inc. includes Instant Rebate Sales Event for Water Efficient Toilets, Water for Tomorrow Education and Retrofit Maintenance

To meet the high demand and expectations of the residents in York Region another instant rebate sales event for water efficient toilets will offer residents an incentive to purchase a water efficiency toilet before the rebate program begins in 2009.

Over 30% of the toilets purchased at the first event were high efficiency 4.8 litre toilets, well above the Region's 15% estimate. In response staff have increased the number of rebates available on high efficient toilets.

An event in the fall of 2008 will provide 1,500 instant rebates on water efficient toilets consisting of:

- 825 instant \$60 rebate for 6 litre ultra low flow toilets
- 675 instant \$75 rebate for 4.8 litre high efficient toilets

The Region will also consider other retailers who approach the Region offering to partner for this sales event provided they can supply the necessary resources. The Region will continue to assess the success of the toilet sales events. In addition to reviewing the sales results, a number of audits will be conducted later in the year to determine the rate of correct installation of toilets by event participants.

Water for Tomorrow Education and Retrofit Maintenance for 2009

To maintain continuity and public interest in the program it is recommended that the current education and retrofit maintenance program continue, with a few updates. The program for 2009 is outlined briefly below:

1. Public Education
 - Attendance and booths at public events
 - Bulletins, e-newsletters
 - Website
 - Additional promotional material for new programs
2. Youth Education
 - Grade seven curriculum
 - Website

3. Summer Water Use Reduction Program
 - Free Outdoor Landscape audits to residents
 - Water efficient landscape workshops/seminars
4. Toilet Flapper and Showerhead Maintenance
 - Free replacement toilet flappers and low flow showerheads to participants in retrofit program
5. Children's Water Festival
 - Five day festival in May for 5,000 grade four students

Reasons to Sole Source Resource Management Strategies Inc.

Consideration for sole sourcing this assignment for the continuation of current services in 2008/2009 is based on recognizing clear benefits for the Region. In this case, the benefits identified for sole sourcing RMSi are summarized below:

Resource Management Strategies Inc. has:

- Provided the Region with water efficiency services for the *Water for Tomorrow* program since 2006.
- Key staff that have been involved in planning and implementing of the Region's water efficiency program since 1998.
- Established a credible track record of delivering projects on time and within budget.
- Ability to provide additional value added services within existing budget. Cost savings have been used to develop new initiatives.
- Operated as an "in-house" service provider which affords them a unique understanding and knowledge base of Regional operations and priorities.
- Provided outstanding customer service to the residents and businesses of York Region since 2006.

Continuing the programs with RMSi until December 31, 2009 will ensure a smooth transition with no interruption of existing services as new programs are launched.

Considering the history, track record and experience of RMSi, staff are certain that sole sourcing for these programs will benefit the Region by providing a quality, continuous education and retrofit maintenance program. At the same time Region staff will issue requests for proposals, select contractors/consultants and implement new programs identified in the Water Efficiency Master Plan including Rebate, Industrial Commercial and Institutional, Distribution Leak Detection and the new updated Education programs.

5. FINANCIAL IMPLICATIONS

A summary of the costs for an additional instant rebate toilet sales event in 2008 and continuation of current education and retrofit maintenance programs in 2009 is outlined in the table below:

Table 1
Financial Summary of Programs

Programs	Cost
Toilet Sales Event	\$163,260
Public Education	\$172,594
Youth Education	\$103,235
Summer Water Use Reduction	\$252,122
Toilet Flapper and Showerhead Maintenance	\$68,288
Children's Water Festival	\$108,410
Total	\$867,909

The 2008 approved budget for the *Water for Tomorrow* Rebate Program is sufficient to cover the toilet sales event including program monitoring and evaluation. The budget for the 2009 *Water for Tomorrow* Education Programs is sufficient to cover the cost of the continued education programs.

6. LOCAL MUNICIPAL IMPACT

Continued implementation of the *Water for Tomorrow* program will provide a secure and cost-effective supply of water to the residents and businesses of York Region. Information and promotional material for initiatives will be given to the local municipalities.

7. CONCLUSION

York Region's water efficiency programs will continue to save millions of litres of water per day by providing the community with opportunities to participate in a variety of programs. The strategy recommended by the Water Efficiency Master Plan Update will continue to assist in sustaining existing savings and is estimated to save an additional 23.4 Million litres of water per day over 10 years. To keep strong public interest in water conservation it is important to continue existing programs while staff prepare to start implementing new and updated Water for Tomorrow programs in 2009.

It is recommended that RMSi be retained as sole source provider for services to provide water efficiency education and retrofit maintenance as well as an instant rebate sales event for water efficient toilets for a cost of \$867,909 excluding GST.

For more information on this report, please contact Tracey Carrigan, Acting Manager, Technical Support of the Water and Wastewater Branch, Environmental Services at Ext. 5095.

The Senior Management Group has reviewed this report.