



City of Richmond

Report to Committee

To: Public Works and Transportation Committee

Date: February 7, 2012

From: John Irving, P.Eng. MPA
Director, Engineering

File: 10-6650-02/2012-Vol
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Re: Toilet Rebate Program

Staff Recommendation

That \$100,000 be allocated from the water levy stabilization provision to increase total 2012 Toilet Rebate Program funding to \$200,000.

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Director, Engineering
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ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Water Services		Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
REVIEWED BY TAG	YES	NO	REVIEWED BY CAO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
			YES
			<input checked="" type="checkbox"/>
			NO
			<input type="checkbox"/>

Staff Report

Origin

At the December 12, 2011 Regular Council Meeting, Council adopted the following motion:

“(1) That the 2012 Utility Expenditure Budgets, as outlined under Options 1 for Water, and Sewer, Option 2 for Solid Waste & Recycling, and Option 3 for Drainage & Diking as contained in the staff report dated December 1, 2011 from the General Managers of Business and Financial Services and Engineering & Public Works, be approved as the basis for establishing the 2012 Utility Rates;”

This motion included \$100,000 in funding from the water provision account for the 2012 Toilet Rebate Program.

This report outlines the current status of the Toilet Rebate Program.

Analysis

In October 2011, the British Columbia Plumbing Code was amended to require 4.8 litre single-flush or 4.1 litre / 6 litre dual-flush toilets. The code was previously amended to require 6 litre toilets in 2005. Prior to 2005, a typical toilet used 13 litres per flush.

Toilets account for approximately 30% of indoor water usage (based on older 13 litre toilets), and changing to low-flush toilets can reduce up to 68% of toilet water usage (75 litres per person per day). Toilet replacement is an important element in an overall water demand management strategy that reduces water consumption and improves municipal sustainability.

In addition to environmental benefits, there are also financial benefits that are realized through toilet replacement. Low-flush toilets can save the City approximately \$40 per dwelling per year in Metro Vancouver water charges when compared to older toilets. With the current rate structure, direct savings can be realized by metered customers and indirect savings may be realized by flat rate customers. Additionally, the per capita water use reduction allows the City and Metro Vancouver to defer infrastructure upgrades that would otherwise be required due to growth.

The City offers a \$100 rebate to homeowners for replacing older, less efficient toilets with new low flow toilets through the Toilet Rebate Program. The simple payback period realized by the City for a typical flat rate dwelling (based on two toilet rebates in a typical dwelling) is approximately five years.

Staff estimated that \$100,000 would be sufficient for the 2012 Toilet Rebate Program, as the City received an average of 880 applications per year in 2010 and 2011; however, there has been an overwhelming amount of interest so far this year and the program is on pace to exhaust the budget well before year-end. This is mainly due to large-scale, batch applications recently received from owners of multiple dwellings. Currently, there are three batch applications that account for a total of approximately 300 toilets. These applications are unusual and have a larger budget impact than anticipated. However, they also provide the benefits of accelerated program

implementation and indirect support to renters who would otherwise not benefit from the program. With a total of 460 toilet rebates processed to date in 2012 (including the batch applications), the toilet rebate budget has \$54,000 in remaining funding, with 11 months remaining in 2012.

Three options are presented below for Council consideration as the City moves forward with administering the 2012 Toilet Rebate Program:

Option 1: Status Quo

The program could be administered until the budget is fully depleted, and any applications submitted after that point would be retained and processed in the future if the program is extended. This could create a backlog of rebate submissions, essentially deferring the rebates to the next budget year.

Option 2: Modify Rebate Offer for Owners of Multiple Properties

A limit could be placed on future applications from owners of multiple properties, in order to reduce the impact of large-scale, batch applications on the toilet rebate budget. Owners of multiple properties could be limited to 20 toilet rebates per year, while maintaining the lifetime maximum of two toilets per dwelling.

Option 3: Apply Additional Funding (Recommended)

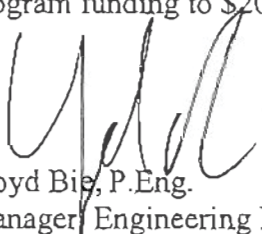
\$100,000 could be allocated from the water levy stabilization provision to increase total 2012 program funding to \$200,000. This level of funding will likely support the program through the end of this year. Should this funding be exhausted prior to the end of 2012, subsequent applications would be held for funding consideration in 2013.


Financial Impact

There is \$7M of available funding in the water levy stabilization provision that could be used to fund the recommended \$100,000 additional funding for the Toilet Rebate Program in Option 3.

Conclusion

The Toilet Rebate Program continues to be in high demand and there are funds available that could be used to extend the Toilet Rebate Program for the rest of this year. Staff recommend that \$100,000 be allocated from the water levy stabilization provision to increase total 2012 program funding to \$200,000.


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JH:jh