

Los Angeles  Department of Water & Power

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September 19, 2014

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Honorable Council Members:

Subject: Council File No. 09-0729 – Los Angeles Department of Water and Power (LADWP) Billing Paper

In response to the August 19, 2014, Los Angeles City Council Motion No. 14-1149 request, the LADWP provides the following updates on efforts to increase the use of recycled paper, consisting of high recycled content, in LADWP operations including the billing system, and compliance with the City's Environmentally Preferable Purchasing (EPP) Policy as it relates to the purchase of sustainable products for day-to-day activities.

Recycled Content in Billing Paper

LADWP is working with Ricoh (printer manufacturer) and Staples (paper supplier) to identify the most efficient billing paper that would have the highest recycled content and that would work well with the current billing printer equipment. One challenge, according to Staples, is that paper manufacturers do not have a large demand for recycled inkjet-treated paper. This is mainly attributed to higher cost. Nevertheless, both Ricoh and Staples have provided some options for LADWP.

Ricoh has proposed two samples of recycled inkjet-treated paper that could potentially address LADWP's need for higher recycled content and water durability. These test rolls of paper are being shipped to LADWP from North America and Europe. The test rolls are expected to arrive in early October and will be thoroughly tested on LADWP's customer billing equipment.

Staples does not currently produce recycled inkjet paper but is working to source it especially for LADWP. The paper is produced by Domtar Corporation (Domtar), whose North American mills are Forest Stewardship Council (FSC) certified. FSC certification is

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supported by leading environmental groups such as the Rainforest Alliance and World Wildlife Fund. Domtar is also recognized as a finalist in the Bio Strategy of the Year Award in 2014 Pulp & Paper International Conference. Domtar requires a minimum production run of 100 tons of this special paper, which is the equivalent of three months' supply of billing paper for LADWP.

Using one of these papers will be the least complex change, if one proves itself acceptable in the testing. Ricoh has also suggested adoption of a new ink formula which they believe will allow a less specialized recycled paper. However, this solution requires modification to the printers, so testing will need to be far more extensive and time-consuming. We have provided Ricoh with sample print files to run with the new ink in their facilities, as an initial test sample.

After a cost benefit analysis and a full comparison of the paper-only options, a decision will be made on the most efficient and cost effective solution; the ink alternative will only be considered, due to the additional time to test and implement, if the paper-only option is not feasible. As part of long-term planning, LADWP's paper, ink, and printer maintenance will expire in 2018. These contracts are coterminous to expire to align with the end of life of the printers. As part of LADWP's commitment to environmental responsibility, we will continue to scrutinize billing production routines in order to improve paper efficiency and recycled content.

Copier Paper

Regarding copier paper, LADWP purchases this through the City contract with Liberty Paper (Liberty). The recycled content of the paper is 30 percent. Liberty also offers 50 percent and 100 percent recycled content but at a significant premium price, which negates the cost savings benefit.

Paperless Billing

Paperless billing is another way of ensuring paper efficiency. This is also a convenient service with multiple benefits for LADWP customers. As part of efforts to increase paperless billing enrollments, LADWP regularly reaches out to customers across multiple channels using these methods:

- New customers are encouraged to sign up for paperless billing through the "start service" process. For customers who sign up for service using the Internet, paperless billing will be the default billing method.
- At Regional Customer Service Centers, feature posters are on display to promote paperless billing. Flyers are available to customers who prefer them.

- Customer Contact Center employees promote paperless billing as part of their standard speech on customer calls.
- Customer bill envelopes and bill remittance envelopes are printed with a message that encourages paperless billing and directs customers to the paperless billing sign-up page on www.ladwp.com
- The Interactive Voice Response (IVR) system that manages customer calls have a recorded message promoting paperless billing that customers will hear while on hold.
- LADWP's website has a paperless billing page at ladwp.com/paperless and will also promote paperless billing on the homepage's "Current Topics" news module whenever space is available.

Additional channels for regular promotion of paperless billing include:

- The customer newsletter, Connections (English) and Conexiones (Spanish) will include a paperless message in future issues. The current issue for September and October have a "feature" story promoting the service.
- Promotional mentions in upcoming editions of the electronic newsletters LADWP at Home and LADWP at Work.
- Regular promotional mentions across the LADWP social media channels, specifically Facebook and Twitter.

Compliance with EPP Policy

Regarding LADWP's compliance with the EPP Policy, the following efforts are in place:

- Adoption of LADWP EPP Policy – Within the fourth quarter of 2014, LADWP will submit for consideration of the Board of Water and Power Commissioners an LADWP EPP policy that will include LA City Ordinance No. 180751 and an implementation plan that assigns roles and responsibilities on purchasing office supplies, construction materials, vehicle parts, furniture, solvents, paper products, batteries, and lubricating oil, etc.
- Implement a Smart Cart Program - LADWP is working with Office Depot to implement a Smart Cart program to replace general office supply purchases with EPP office supplies if they are within 10 percent of the cost as

allowed in Ordinance No. 170485 (adopted by the City in 1995 and subsequently by LADWP in 2000).

- Recycling and EPP clause - Standard language is already included in the RFPs for goods. Vendors are required to report the recycled content and post-consumer quantity contents of purchases as part of the response to bid.
- LADWP Green Team - Under the Chief Sustainability and Economic Development Office, the LADWP Green Team consists of employees throughout LADWP who have formed task force committees to meet department goals and policies on sustainability. Recent achievements of the Green Team include a Green Office Supplies Vendor Fair, participation in Grand Park Earth Day (part of recycling mandates), an LADWP-wide Print Less Competition, and LEED EBOM (Leadership in Energy and Environmental Design, Existing Building Operations and Maintenance) certification efforts for the John Ferraro Building. Under the guidance of the Chief Sustainability and Economic Development Officer, LADWP's Green Team is coordinating a sustainability workshop in September 2014, focused on energy and water conservation at LADWP facilities.

If you have any questions, please contact me at (213) 367-1338, or have a member of your staff contact Ms. Winifred J. Yancy, Director of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Marcie L. Edwards
General Manager

MS:dms

c: Ms. Winifred J. Yancy