

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: July 12, 2007

IBA Report Number: 07-72

City Council Docket Date: July 17, 2007

Item Number: 330

Subject: Response to the 2006-2007 Grand Jury Report entitled “Water for the City of San Diego Revisited”

OVERVIEW

On May 16, 2007, the San Diego County Grand Jury released the report “Water for the City of San Diego Revisited,” to review multiple areas of the Water Department and determine if actions were taken by the City to comply with the Grand Jury’s 1998-1999 report.

In a July 2, 2007 letter to the Presiding Judge of the San Diego Superior Court, Janis Sammartino, the Mayor responded to the Findings of the report and to the Recommendations made to the City of San Diego. For this item the City Council is requested to either adopt the Mayor’s responses to the Grand Jury or prepare a separate City Council response.

FISCAL/POLICY DISCUSSION

The IBA has reviewed the Mayor’s responses to the Findings and Recommendations and supports the majority of responses. For the Findings and Recommendations listed below, it is suggested that the City Council discuss adding the information listed under each item.

The 2006-2007 San Diego County Grand Jury recommends that the City of San Diego:

Finding: **The City did terminate water and wastewater SLAs by the end of 2006. The termination resulted in reimbursement of approximately \$3 million to the Water Department.**

IBA Suggestion:

- Include information on the amount that was reimbursed to the Metropolitan Wastewater Department.

Finding: The City is struggling to meet that goal (DHS compliance order to replace 10 miles of cast iron water pipe each year), even though the numbers of breaks have decreased. In 2006, there were 104 breaks.

IBA Suggestion:

- Add the Mayor's response to recommendation 07-47 listed on page 8 of his letter that outlines the four year CIP plan (2008 – 2011) to replace 15 miles of cast iron mains for fiscal year 2008 and 20 miles per year thereafter until the remaining 190 miles are replaced.

Finding: There are no apparent actions being taken by the City to proceed with recommendations of the (City of San Diego Water Reuse) study. It has (been) met with mixed reviews. The approval of this report is pending.

IBA Suggestion:

- Include information on the continued involvement of the City Council and the Natural Resources Committee on this issue.

Recommendation 07-41: Attempt to streamline the water and wastewater systems, organization and procedures. This should include outsourcing where feasible.

IBA Suggestion:

- Add information regarding voter approval in November 2006 of Proposition C which authorized the outsourcing of City municipal services. In addition, discuss the processes that have been established to pursue outsourcing as an option when determined to be appropriate.

CONCLUSION

The IBA believes that the language submitted by the Mayor is appropriate to constitute the response to the Grand Jury, but suggests that the City Council discuss adding the information provided above. Based on the direction of the City Council, our office will assist in preparing a separate response with this additional information.

[SIGNED]

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[SIGNED]

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