



Independent Rates Oversight Committee (IROC)
June 19, 2017
MINUTES

1. Roll Call

Chairman Hess called to order the full IROC meeting at 9:35 a.m. Monica Foster conducted roll and a quorum was declared. Attendance is reflected below:

<u>Members:</u>	<u>Present</u>	<u>Absent</u>
Gordon Hess, Chair	X	
Tiffany Mittal, Vice Chair	X	
Christopher Dull	X	
Jeff Justus	X	
Fred Kosmo	X	
Jack Kubota	X	
David Akin	X	
Luis Osuna	X	
Jim Peugh	X	
Linh Quach		X
 <u>Ex-Officio Members:</u>		
Ed Spriggs, Metro JPA	X	
Lois Fong-Sakai, City 10	X	

City representatives present at dais: Tom Crane, Public Utilities; and Tom Zeleny, Chief Deputy City Attorney

2. Non-Agenda Public Comment

None.

3. Approval of Minutes from Meeting of April 24, 2017

ACTION: Chair Hess asked for a motion to approve the minutes of April 24, 2017. Member Akin moved to approve as submitted, Member Justus seconded. Motion passed 9 (in favor), 0 (oppose), 0 (abstain).

4. Chair Updates – Gordon Hess, Chair

- The IROC endorsed the Public Utilities Department Budget which was approved with minor revisions. Vice Chair Mittal attended the hearing was very pleased.

5. City Staff Updates – Halla Razak, Director

- Introduced the newest Executive Team member, Thomas Howard, from the City of Poway. He assumed the leadership of the Water Construction & Maintenance Division.
- Exciting news of the first time in the history of the City of San Diego, a unanimous approval of the Coastal Commission was received for the Point Loma Waiver application. Everyone was very pleased with the full support of the Environment Committee, business community, and partners. Next step, EPA permit finalization.
- This is the last week of the 3rd Branding event. The first was a large event that some IROC members attended; the second and third events were lower-key celebrations. Director Razak attended all of the all-hands meetings held this week, had a great turn out for the Wellness Fair, and the comrade and morale is high.
- The Help to Others San Diego (H2O SD) Program, led by Wilson Kennedy, will make a live announcement of an incoming donation, which is very impressive and will cover 3 years of funding.
- Customers continue to conserve water even with the high temperatures. We continue to save 16-20% of the water use since 2013, but remain monitoring.

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6. **Mayor and Council Staff Comments**

None.

7. **Discussion: Update on Quarterly Water Main Breaks & Sewer Sanitary Overflows** – Tom Howard, Deputy Director of Water Construction & Maintenance and Agnes Generoso, Deputy Director of Wastewater Collection

Terrell Powell, for Agnes Generoso, reviewed the quarterly sewer sanitary overflow updates. There were 14 sanitary sewer overflows, and 9 sanitary sewer back-ups making a total of 23 for the year.

Tom Howard reviewed the water main breaks update. He indicated the total number of water main breaks as of May 26th is 28 compared to 36 the same time frame 2016. So far this year, there have been 23 asbestos cement pipe breaks, 3 cast iron pipe, and 2 PVC.

For comparison of calendar year (CY) 2016 by material type was: 66 asbestos cement pipe breaks vs. 23 so far this year; 6 cast iron pipe breaks in CY 2016 vs. 3 so far this year; and 6 PVC pipe breaks in CY 2016 vs. 2 so far this year. In addition, in 2016, there was 1 break in a ductile iron line vs. 0 so far this year. In 2016, there were 2 water main breaks associated with steel water mains with 0 so far this year.

8. **Presentation: Brief History of Point Loma and Current Permit Status** – Alan Langworthy, Deputy Director

Mr. Langworthy gave a detailed presentation including a historical review. The early days of the Point Loma Wastewater Treatment Plant (PLWTP) began operation in 1963 with primary treatment, and was designed to be expanded as necessary. Upgraded regularly, this backbone of the Metro System currently is chemically enhanced primary with an outfall of 4.5 miles offshore and 310 feet deep (longest and deepest in the world), with a capacity of 240 MGD. It also operates with a “Waiver” permit.

Background was provided of the 1972 Federal Clean Water Act (CWA) requirements and the modified permits, as well as the regulatory standards which PLWTP far exceeds. He described the facilities initial planning to go secondary, and the Federal Court decision that ruled going to secondary would be excessively expensive and not in the interest of the public. As confirmed, there is no harm to the ocean, the City was urged to pursue the waiver option and mandated to a scaled down plan to implement water reclamation but no secondary at PLWTP. Since then, with special legislation, in 1994 the Ocean Pollution Reduction Act amended the CWA and contains unique requirements to San Diego.

The PLWTP has successfully operated since 1995 with the first modified permit. The second waiver was approved in 2002, the third in 2010, and finally this fourth renewal will go through 2022.

Ex-Officio Member Spriggs commented on the potential risk of PLWTP having to go to secondary in the future, and is there any sense whether the current powers that be are more inclined to support San Diego’s effort for a statutory fix so the rate payers can be relieved. Director Razak indicated it is too early to tell as it is a long process, but progress is being made, discussions will continue and the City will stay committed.

Member Osuna asked aside from a higher expense, what other requirements are needed for the City to engage in secondary treatment. Mr. Langworthy indicated there are many environmental impacts, a requirement of more land, as well as excessive costs and more.

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9. **Presentation: Update on the Leadership Academy Program** – *Debbie Waddell, Organization Effectiveness Specialist III*

The previous leadership academies ended in 2014. In August 2016, City Council approved another 5-year program offering a new improved approach with Ziksana Consultant providing state of the art integrated learning techniques. There will be a total of 10 academies with 30 participants per session.

The Non-Field Academy will be held at different locations for 8 weeks, 8-hour days, once per week. The Field Academy will begin this August and will have similar core competencies as the Non-Field Academy. They will be held at different facilities over a 7-week period mostly half-days and include special training. Both Academies are tasked with “homework” and expectations of bringing what they learn to their workdays. Follow-ups are done weekly by engaging them with questions and surveys allowing them to elaborate on their successes from what they learned as well as ideas they can share.

Ex-Officio Member Spriggs commended the Department for having this leadership program and commented that it speaks volumes for the climate of the Department, and encourages the employees to think out-of-the-box to be a shining example to others. He asked if one of the primary values is service to the public in the Academies. Ms. Waddell indicated that in developing the curriculum, the branding program core values is an integral part of it. Director Razak added that the Brand’s 4 distinct pillars (Quality, Value, Reliability, and Customer Service) are all the same level of importance and this is practiced in this robust program as well as in everyday work.

Member Mittal asked for a description of the employee selection process. Ms. Waddell indicated there is a self-nomination process, with supervisors encouraging their employees to apply also. Applications are reviewed with a desire of having candidates that have attended the Supervisors Academy previously, the list is then filtered. The Deputy Directors and Executive Team ultimately decide, and balance the roster.

Director Razak added attending the Academy gives great recognition and provides beneficial results. The program can be listed on résumés and mentioned in interviews as it is looked upon very positively.

10. **Presentation: I AM San Diego Project Update** – *Erin Noel, Asset Management Program Manager and Susan Bowman, Asset Management Program Manager*

Ms. Noel gave an overview of the project and state of the art technology that streamlines 32 applications into 1 system to be integrated with financials, HR, and other existing systems. This project develops a comprehensive system to transform the way the City plans, prioritizes and delivers maintenance and CIP projects. Infrastructure represents a significant investment for the City and is critical to public health, safety and the quality of life for the citizens and the visitors. It is an investment in technology as well as infrastructure.

Currently in Phase I (testing phase) of the 3-year implementation, it is anticipated to go-live the second quarter of FY 2018. The four participating departments are Information Technology, Public Utilities, Public Works, and Transportation & Storm Water. She gave a high-level look at the timeline noting the second cycle is anticipated to begin in July. The four key I AM System capabilities (automated real-time work management; mobile, map based capabilities being used out in the field; proactive, condition-based maintenance and capital asset planning; and accurate, detailed analytics and reporting) make this a one-stop-

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shop. Ms. Bowman demonstrated the work management process flow showing from the moment the maintenance work is identified, to the scheduling of the work order including all materials needed, assessed, scheduled, dispatched, and finally executed. She added this process can be viewed on several different platforms such as laptop, tablet, Toughbook, etc. The work can begin, and once finished the program can be synced up.

Member Osuna asked if the work can be identified from the public, or is only within the City. Ms. Noel indicated notifications can come in from the 3-1-1 line, Councilmembers and the like, however a City planner would assess the notifications before identifying a work order.

11. **Discussion: New Chair, Vice Chair, Subcommittee Chairs, and Subcommittee Members** –
Tom Zeleny, Chief Deputy City Attorney

Nominations for IROC Chair:

ACTION: Motion was made by Member Akin and seconded by Member Peugh for Chair Hess to continue as Chair of IROC. Motion passed unanimously 9-0.

Nominations for IROC Vice Chair

ACTION: Motion by Member Kosmo and seconded by Member Kubota for Member Mittal to continue as Vice Chair. Motion passed unanimously 9-0.

Nominations for Finance Subcommittee Chair:

ACTION: Motion was made by Member Kosmo and seconded by Member Akin for Member Justus to continue as Finance Subcommittee Chair. Motion passed unanimously 9-0.

Nominations for Infrastructure & Operations Subcommittee Chair:

ACTION: Motion by Member Osuna, seconded by Member Akin for Member Peugh to continue as I&O Subcommittee Chair. Motion passed unanimously 9-0.

Nominations for Outreach & Communications Subcommittee Chair:

ACTION: Motion was made by Member Dull and seconded by Member Kubota for Member Akin to continue as O&C Subcommittee Chair. Motion passed unanimously 9-0.

Nominations for Finance Subcommittee Members:

ACTION: Motions by Members Hess, Mittal, Kosmo, and Akin made and seconded to retain the current Finance Subcommittee members (Justus, Hess, Akin, Mittal, and Kosmo). Motions passed unanimously 9-0.

Nominations for Infrastructure & Operations Subcommittee Members:

ACTION: Motions by Members Akin, Dull, and Osuna made and seconded to retain the current members (Peugh, Spriggs, Kubota, Osuna, and Quach). Motions passed unanimously 9-0.

Nominations for Outreach & Communications Subcommittee Members:

ACTION: Motions by Members Akin, Dull, Kubota, and Osuna made and seconded to retain the current members (Akin, Dull, and Kubota). Motions passed unanimously 9-0.

12. **City 10 – County Water Authority Update** – *Lois Fong-Sakai, City 10 Representative*

- CWA is currently in process of reviewing the 2-year Budget for FY 2018-2019 which is up 2% (\$35.1M from the current budget) mainly due to increasing costs of water

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supplies and treatment. More than 90% of the recommended budget is associated with purchasing and treating water, and building and financing infrastructure.

- A public hearing to receive comments regarding proposed rates and charges to be effective January 1, 2018 has been set for June 22, 2017.
- Board approved a 1-year extension of the current Operation Agreement between the Water Conservation Garden Authority and the Friends of the Water Conservation Garden for the continued operation and maintenance of the Water Conservation Garden through June 30, 2018.
- During construction of the Carlsbad Desalination Project, sales tax was paid on materials. Board authorized the General Manager to execute a professional service agreement with DuCharme, McMillen & Associates, Inc. to pursue the recovery.

13. **Subcommittee Reports**

a. **Infrastructure and Operations** – *Jim Peugh, Subcommittee Chair*

- Discussed the CIP, which is meeting all objectives.
- Presentation on the Optimization Study which was very informative.
- Discussed the current Valve Maintenance Program, which a program was developed that satisfies the American Water Works Association standards.

b. **Finance** – *Gordon Hess, Chair for Jeff Justus, Subcommittee Chair*

- Discussed the water sales report, showing up 5% from last year with little recovery from the drought and the great conservation effort of San Diego.
- Discussed the Alternative Rate Structure consultant (Raftelis Financial) and in the process of putting together a scoping and public meeting schedule to receive input from various interest groups around the city. IROC will be part of this.
- Discussed the Review of Funds which will occur before the next rate increase, a consultant has been hired.
- Discussed the City Council approved budget with only slight changes to the CIP.
- Discussed the scheduled July ~6.4% rate increase. City awaiting final action CWA.

14. **Metro/JPA Report-Out** – *Ed Spriggs, Metro JPA Ex-Officio*
None to report, did not attend.

15. **Proposed Agenda Items for Upcoming IROC Meetings** – *Wilson Kennedy, IROC Coordinator*

- Tour of PLWWTP in July full IROC meeting; recess in August for all meetings, and resume IROC meetings in September.

16. **IROC Members' Comments**

- Members expressed interest in having tours in some of the off-months of full IROC such as pump stations, San Vicente Dam, Alvarado or Miramar plants, Carlsbad Plant, or Santee Lakes Water Reuse Facility.

17. **Meeting adjourned:** 11:56 a.m.

Minutes submitted by: Monica Foster, Administrative Aide II