



Independent Rates Oversight Committee (IROC)  
**Special Meeting of September 18, 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:

<b>Members:</b>	<b>Present</b>	<b>Absent</b>
Gordon Hess, Chair	X	
Tiffany Mittal, Vice Chair	X	
Christopher Dull	X	
Jeff Justus	X	
Fred Kosmo (exited 11:15 a.m.)	X	
Jack Kubota	X	
David Akin	X	
Luis Osuna	X	
Jim Peugh	X	
Linh Quach		X
<b><u>Ex-Officio Members:</u></b>		
Jerry Jones, Metro JPA	X	
Lois Fong-Sakai, City 10	X	

*City representatives present at dais: Halla Razak, Director of Public Utilities; Tom Crane, Public Utilities; and Tom Zeleny, Chief Deputy City Attorney*

**2. Non-Agenda Public Comment**

None.

**3. Approval of Minutes from Meeting of June 19, 2017**

**ACTION:** Vice Chair Mittal indicated one change: Item 4 - Chair Updates, second sentence should read "Vice Chair Mittal attended the hearing..." removing "Chair Hess". Motion by Member Kubota to approve the Minutes of June 19, 2017 reflecting said change. Second by Member Justus. Motion passed 9 (in favor), 0 (oppose), 0 (abstain).

**4. Approval of Minutes from Special Meeting of July 10, 2017**

**ACTION:** Chair Hess asked for a motion to approve. Motion by Member Akin to approve the Minutes of July 10, 2017 as submitted. Second by Member Peugh. Motion passed 9, 0, 0.

**5. Chair Updates – Gordon Hess, Chair**

- The July tour of the Point Loma Wastewater Treatment Plant was a success. He added it was great to have Wilson Kennedy's daughter and Monica Foster's daughter in attendance.
- There are a series of free educational workshops offered by the Water Reliability Coalition for those interested, sign-up information can be found on their website.

**6. City Staff Updates – Halla Razak, Director**

This item was heard out of order.

- She described the multiple pipe breaks that occurred last week simultaneously, which is almost unheard of. A pressure relief regulating valve failed so the pipelines downstream got the brunt of it, causing many other breaks. Staff was deployed to tend to the multiple breaks, and were running out of crews. Many businesses, a retirement

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home, 2 large hotels, and more were out of water for several hours, so water bottles were made available.

- With the recent Hepatitis A outbreak, the City is in a command and control at the moment with a team put together to assist. She recommends everyone have a vaccination.
- Pure Water San Diego doing great, and success with the Participating Agencies on the cost allocation and sharing.
- She has accepted a General Manager position with the Inland Empire Utilities Agency. Last day is October 13, 2017. She noted that it was truly a pleasure working with IROC, and her most valuable and rewarding position in her career was working as the Director of the Public Utilities Department.

Warm congratulatory comments were made by the IROC members, and they provided and celebrated with cake.

7. **Mayor and Council Staff Comments**

None.

8. **Presentation: Alternative Water Rate Structure** – *Seth Gates, Deputy Director of Finance & Information Technology*

Seth Gates gave an in-depth presentation of the process, reviewed the expenditures versus revenue, and general timelines for rate structure review. The consultant, Habib Isaac of Raftelis, was available for questions. Mr. Gates indicated they are currently working on the water fund modeling to develop different rate scenarios for specific customer classes, staying compliant with the number one consideration – Proposition 218. A commitment was made last Cost of Service (COSS) to undertake this alternative water rate structure review and better educate the citizens and stakeholders, to potentially develop a set of potable rates to present to IROC and City Council, to use in the next COSS at the expiration of the current COSS. In that regard, public outreach will continue through workshops and campaigns to better explain the process, educate citizens as well as solicit input. It is anticipated to present 3-5 scenarios to the public, IROC, and then Council in the Spring months of 2018.

Key input from Members: Members Mittal and Hess commented they would like to see tiered rates for multi-family researched; Member Justus suggested irrigation-only meters be budget based; Member Peugh suggested further researching Fixed Charge modeling techniques such as consumption based fixed rates; Member Kubota suggested researching the inclusion of different classes of service. Ex-Officio Member Spriggs commented to continue to educate the public on the overall costs for water reliability, and continue the concept of water efficiency.

9. **Presentation: MyWaterEasy Update** – *Michael Vogl, Deputy Director of Customer Support*

Michael Vogl described the new MyWaterEasy customer engagement app. After the initial pilot, it will be rolled out to the remainder of customers and will be found in mobile app stores later this year. In addition to the self service options online, a variety of new features and options will be available that customers will appreciate. It is sleek, intuitive, and user friendly. It requires no new registration and it is free. It is extremely valuable to City staff as well, as it is tightly integrated with other systems so data for customers and staff is available at the same time. Updates will continue to IROC as more progress occurs.

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**10. Discussion: FY 2018 IROC Annual Report Preparation – Gordon Hess, Chair**

Chair Hess stated usually, each Subcommittee Chair from the previous year form an Ad-hoc subcommittee, without violating the Brown Act, to prepare the Draft Report for their particular sections. He would like to continue this process. Once the sections are complete, they will be provided to City staff for formatting, input and review.

**ACTION:** Motion by Member Justus for Chair Hess, along with Members Peugh, Akin, and himself form an Ad-hoc subcommittee to prepare the sectional reports. Second by Member Kubota. Motion passed 9, 0, 0

**11. City 10- County Water Authority (CWA) Update- Lois Fong-Sakai, City 10 Representative**

- CWA Board approved the Water Shortage Contingency Plan, which was last updated in 2006.
- Following the State Water Resources Control Board adoption of permanent waste prohibitions, the process to review and update the 2008 Model Drought Response Ordinance will be complete in 2018/19.
- CWA has several items that will affect water supplies and rates for decades to come. This includes their 45-year Water Transfer Agreement with Imperial Irrigation District, as well as the 35-year Exchange Agreement with the Metropolitan Water District (MWD). CWA continues to evaluate potential options, and for a decision by the end of 2017.
- CWA continues to request additional information from MWD regarding the California Water Fix's proposed Twin Tunnels project. Neither City-10 nor CWA have taken a position on this potential project. MWD has also delayed their vote until their October Board Meeting. CWA Board will have a special workshop in October.
- Legislatively, both AB1668 and SB606 bills have been tabled for the year, and will be 2-year bills to be brought back in 2018.

**12. Subcommittee Reports**

**a. Finance – Jeff Justus, Subcommittee Chair**

- Seth Gates presented updates, and noted that Rolando Sharvel is the new CFO replacing Mary Lewis.
- Department will go before the Environment Committee on September 29, 2017 for funding of the Pure Water San Diego Program and request support for an application to apply for SRF funds at 1.6% over a 30 year term. This is for Phase I. Also discussed were other ways of funding the Program such as a Grant application.
- Discussed the 50/50 funding for AMI between the Water and Sewer funds.
- Discussed the FY 2017 Annual Report

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

- Presentations on two recent water pipe breaks. One pipe was installed in 1961 but modified since, which may have contributed to the break. The other was installed in 1966, this flooded and shut down the San Diego trolley.

**c. Outreach & Communications – David Akin, Subcommittee Chair**

- Presentation by Brent Eidson, Program Manager, on water efficiency
- Received an HR update by Margaret Wyatt, Human Resources Manager.

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13. **Metro/JPA Report-Out** – *Jerry Jones, Metro JPA Ex-Officio*
- He has replaced Ed Spriggs as the Metro/JPA representative.
  - Created an Ad-hoc meeting to investigate how to participate closer with the City of San Diego on the legislative permanent solution to the secondary equivalency; and oversee the implementation of the Pure Water San Diego Program.
14. **Proposed Agenda Items for Upcoming IROC Meetings**– *Wilson Kennedy, IROC Coordinator*
- Recess in October, and the November Finance Subcommittee and full IROC will meet on the first Monday of the month, November 6 due to scheduling issues.
  - Presentation of the Year-end CIP Report
  - Discussion of the Help to Others San Diego (H2O SD) Program
  - Discussion of the Draft IROC Annual Report
15. **IROC Members' Comments**
- Member Kubota requests a tour of perhaps San Vicente be scheduled for a future tour. Ex-officio Member Jones added that a joint tour with Metro/JPA members would be beneficial to save staff time.
16. **Meeting adjourned: 12:00 noon**

Minutes submitted by: Monica Foster, Administrative Aide II