

Independent Rates Oversight Committee (IROC)
Meeting of March 21, 2022



1. **Roll Call**

Chair David Akin called the full IROC meeting to order at 9:30 a.m. Roll Call was conducted and a quorum was declared. Attendance is reflected below:

Members:	Present	Absent
David Akin, Chair	X	
Tiffany Mittal, Vice Chair	X	
Christopher Dull		X
Gordon Hess	X	
Jeff Justus	X	
Jack Kubota	X	
Luis Osuna	X	
Jim Peugh	X	
Linh Quach	X	
<u>Ex-Officio Members:</u>		
Jerry Jones, Metro/JPA	X	
Jim Peasley, Metro/JPA Alt.		X

Some of the City representatives present included Juan Guerreiro (Interim Director of Public Utilities) and Ray Palmucci (Deputy City Attorney).

2. **Non-Agenda Public Comment** – None.

3. **Approval of Draft Minutes from Meeting of January 18, 2022** – *David Akin, Chair*
ACTION: Chair Akin asked for a motion to approve the minutes. Motion by Member Hess. Second by Member Peugh. Members Mittal and Quach abstained. Motion passed with 6 in favor, zero opposed, and 2 abstained.

Approval of Draft Minutes from Meeting of February 22, 2022 – *David Akin, Chair*
ACTION: Chair Akin asked for a motion to approve the minutes. Motion by Member Hess. Second by Member Justus. Members Mittal and Quach abstained. Motion passed with 6 in favor, zero opposed, and 2 abstained.

4. **Chair Updates** – None.

5. **Mayor and Council Staff Comments** – None.

Independent Rates Oversight Committee (IROC)
Meeting of March 21, 2022

6. **PUD Updates** – *Juan Guerreiro, Interim Director of Public Utilities*

- New appointments include Amy Dorman to Assistant Director and Andrew Kleis to Interim Assistant Director.
- The City is recruiting for a new Chief Operating Officer as well as a new Independent Budget Analyst.
- On March 22nd, the City of Oceanside is introducing the first Pure Water Facility in the San Diego Region.
- Member Hess followed-up on the requests for Pure Water costs per acre-foot. Staff stated the calculations are in draft form and still being analyzed.

7. **Presentation: IBA Review of PUD's Five-Year Outlook** – *Erin Noel, Fiscal & Policy Analyst, Office of the Independent Budget Analyst*

- The Office of the Independent Budget Analyst (IBA) provided an overview of their review of PUD's Five-Year (FY 2023-2027) Financial Outlook.
- This is PUD's third Outlook which is intended to guide long-range planning and serve as the framework for the development of the next year's Proposed Budget for the Water and Sewer Enterprise Funds (Council Policy 002-02: Budget Policies).
- Member Hess echoed the Office of the IBA's suggestion for IROC to request regular updates on Pure Water.

8. **Presentation: Update on Customer Delinquencies** – *Katie Keach, Customer Support Deputy Director, Public Utilities Department*

- The Customer Support Division provided some statistics, relief opportunities, and overall updates on the status of customer delinquencies.
- Water service shutoffs for non-payment have been suspended since March 2018.
- Delinquencies as of March 1, 2022 total \$66.4 million. For this amount, delinquencies are defined as funds that are not received by the 31st day after the payment due date.
- In February 2022, PUD received \$19.7 million to address water delinquencies for approximately 19,000 customers. This was received from the California Water & Wastewater Arrearage Payment Program with funding from the State Water Resources Control Board using Federal American Rescue Plan Act Funds.
- Later this year, the state is launching a low income water utility assistance program for customers to receive up to \$2,000 for water utility payments.

9. **Metro/JPA Report Out** – None.

10. **Proposed agenda Items for Upcoming IROC Meetings** – *IROC Members*

- Chair Akin asked for an update on the new Water Meter Services Division (including the meter shop and field crews).
- Member Kubota requested an AMI update.
- Chair Akin asked for an update on Non-Revenue Water.
- Member Peugh requested an update on ways PUD is reducing methane discharge.

Independent Rates Oversight Committee (IROC)
Meeting of March 21, 2022

- Members Hess and Peugh would like to have updates on the following COSS-related items:
 - COSS Rate Structures (from Member Hess)
 - The level of infrastructure replacement and staffing the COSS is based on for both water and wastewater (from Member Peugh)
 - Update on current System Condition Studies in preparation for the next COSS (from Member Peugh)
 - Update on the number of unfilled positions, hiring success, and PUD functions affected by unfilled positions; and an update on whether or not the COSS will provide resources to fill the unfilled positions. (from Member Peugh)
 - Update on how these items are addressed in the COSS: Water sales; reservoir levels; budget status; Pure Water costs & progress; County Water Authority & MET rates; lawsuit updates; impact of changes with Fallbrook and Rainbow; and the Urban Water Management Plan. (from Member Hess)
 - It would be helpful to understand why the last COSS was inadequate according to the judge and what the options are to address these deficiencies should the City lose its appeal of the decision. There must be other options or data requirements that could address the rates in a legal manner. (from Member Hess)

11. IROC Members' Comments – IROC Members

- Proposed agenda items carried over from the August 2020 minutes:
 - Customer Support Division, Call Center Update.
- Proposed agenda items carried over from the April 2021 minutes:
 - Once collections resume, Chair Akin would like to have a presentation on the Customer Support Division and Office of the City Treasurer collection process.
 - I&O Subcommittee – Member Kubota recommended adding an item on the “Valve Maintenance and Replacement Program in the Potable Water System (including fire hydrants)” to the agenda.
- Proposed agenda items carried over from the July 2021 minutes:
 - Once collections resume, Chair Akin and Member Kubota would like to combine the collection process presentation proposed in the April 2021 bullet above with an update on the status/timing on lifting water shutoff restrictions.
- Proposed agenda items carried over from the August 2021 minutes:
 - Full IROC – An update from MEA and Local 127 about employee representation.
 - Finance Subcommittee – Once collections resume, a deep dive into the Office of the City Treasurer collections process.
 - O&C Subcommittee – Update on the Management/Field Academies.

12. Meeting adjourned: 11:10 a.m.

Minutes submitted by Wilson Kennedy