




**COUNCILMEMBER CHRIS CATE
CITY OF SAN DIEGO
SIXTH DISTRICT**

M E M O R A N D U M

DATE: January 21, 2015

TO: Councilmember David Alvarez, Chair, Environment Committee

FROM: Councilmember Chris Cate 

SUBJECT: 2015 Environment Committee Priorities

I appreciate the opportunity to share my Environment Committee priorities for 2015. As Vice Chair, I look forward to addressing San Diego's critical environmental issues to ensure local resources are protected for the enjoyment of future generations.

Water and Wastewater

Finalize the Recycled Water Cost of Service Study

In recent years, the City has made significant strides to diversify its water supply. Through the Recycled Water Study and 2010 Recycled Water Master Plan, the City has laid the initial foundation to generate an independent and sustainable resource. A key component of this process is still needed. The completion and ratification of a Recycled Water Cost of Service Study is imperative to understand the true cost of producing and distributing recycled water and the impact of this operation on ratepayers. The Public Utilities Department should provide a status update and draft study this year.

Maximize the City's Purple Pipe System

As San Diego experiences its fourth straight year of drought and nearly the driest year on record, the City is continuing its effort to generate a diversified water supply. Currently, the City's purple pipe network stretches over ninety one (91) miles and provides recycled water for a wide variety of recipients. The full optimization of this network is crucial to not only decreasing dependency on imported portable water, but helping local residents and businesses lower the costs of irrigation. City staff should present the current level of connection and opportunities to fully maximize and expand the existing network.

Present the Pure Water Program Cost of Service Study

San Diego's Pure Water Program presents a unique opportunity to generate a sustainable and local water supply while eliminating the need to upgrade the Point Loma Wastewater Treatment Plant, saving ratepayers nearly \$2 billion in unnecessary capital costs.

Estimates for the project are expected to exceed \$3 billion through 2023. The construction of an additional 15 million gallons-per-day (mgd) facility at the South Bay Reclamation Plant and a 53 mgd facility at Harbor Drive will represent significant impacts for ratepayers. It is essential that the City conduct a distinct Cost of Service Study for the Pure Water Program to provide an accurate representation of costs to customers.

Continue Pursuit of Direct Potable Reuse Regulations

The City has a unique opportunity to continue the progress of its recycled water program through the incorporation of Direct Potable Reuse (DPR). DPR has the potential to save ratepayers nearly \$200 million of unnecessary capital expenditures within the Pure Water Program. Public Utilities should continue its advocacy efforts in conjunction with the Mayor's office and the City's state lobbyists. City staff should keep the Committee apprised of any developments on a quarterly basis.

Receive an Update on County Water Authority's Water Purchase Agreement with Poseidon Water

San Diego should explore all available options to create a resilient water supply while protecting ratepayer dollars. The recent water purchasing agreement between the County Water Authority (CWA) and Poseidon Water is an important step forward to generating a drought-proof resource for the region. With the mandated annual purchase of 48,000 acre-feet (AF) at \$2,257 per AF by the CWA, it is crucial to fully understand the potential cost impact to San Diego ratepayers. The Public Utilities Department should continue to work closely with the CWA to establish a timeline for the rate case and provide updates of its progress to the Environment Committee on a bi-monthly basis.

Review Current Status of City's Smart Water Initiative

In 2012, the City entered into a partnership with IBM and Richard Brady & Associates to conduct a pilot study that demonstrated the capabilities of new technologies to proactively prevent water leaks in the City's water utility system. Through data analysis, mathematical optimization, and sound engineering practices, IBM and Brady provided the City with tools to prevent leakage and overflow in distribution mains, storage tanks, and customer meters. Public Utilities should present the current status of this initiative, explore implementation feasibility, and review conducting a cost of service study for this program.

Environmental Protection & Energy Efficiency

Continue Monitoring the Implementation of Climate Action Plan

With the initial draft of the City's Climate Action Plan, the next phases of approval and implementation are crucial to ensuring the protection of San Diego taxpayers and local environmental assets. City staff should prepare a presentation of the initial City ordinances outlined in the Local Implementation Actions section of the Plan, particularly those outlined in Phase 1. It is imperative that the committee be provided ample time to review and edit these ordinances to ensure the timeline and goals of the implementation phase are met.

Explore Opportunities for Alternative Compliance to the Municipal Stormwater Permit

Over the next five (5) years, the City must spend nearly \$4 billion on stormwater systems and enforcement in order to maintain compliance with the stipulations of the Regional Board's Municipal Stormwater Permit. In light of the pressing demands for infrastructure investment and the retention of police officers, the City must realize its budgetary capacity is limited. The Committee should work collaboratively with Transportation and Stormwater staff to identify opportunities for alternative compliance to offset the City's obligation. Within the development of the Water Quality Equivalency study, staff should review all alternative compliance options, including the utilization of permeable pavement, the construction of roundabouts, and other equivalent offsite mitigation measures. Staff should present quarterly updates of this study and the new Better Management Practices Design Manual. These updates should include all potential fiscal impacts to the General Fund and performance metrics to measure the effectiveness of stormwater compliance education and outreach strategies to residents and the commercial industry.

Continue the Implementation the City's Zero Waste Goal

In order to maintain compliance with state goals, the City has adopted a Zero Waste Objective and is making strides toward releasing a Zero Waste Management Plan. In addition to reviewing the Plan this year, the Committee should work with staff to explore alternative methods to accomplish a one hundred percent waste diversion rate. This effort would involve the exploration of successful programs in comparative cities, including the implementation of the "One Bin For All" program in the city of Houston, Texas. This initiative seeks to streamline the waste collection process while moving towards a zero waste goal. Furthermore, with the anticipated maximum capacity of the Miramar Landfill in 2022, the City should not only pursue a Zero Waste objective, but commence a strategy for the potential expansion of this facility.

Review Opportunities to Bolster Comparative Data Initiatives

Comparative data, also known as behavioral energy efficiency, is an innovative large scale usage saving method for wet and dry utilities. In a recently released study, research suggests that segmenting consumers based on geographic regions, behavior, and attitudes can lead to significant improvements in energy-efficiency performance. The Committee should receive a report on whether the Public Utilities Department has looked into comparative data programs for water savings or programs they may already be using. The Committee should also discuss opportunities for collaboration with San Diego Gas & Electric to engage the community and promote energy conservation.

CC:ic

cc: Mayor Kevin L. Faulconer
Honorable Councilmembers