

Independent Rates Oversight Committee (IROC)

January 21, 2014

MINUTES

1. Roll call

Chairwoman Welch called to order the regular meeting of the IROC at 9:45 a.m. Monica Foster conducted roll call, and a quorum was declared. Attendance is reflected below:

Members:	Present	Absent
Gail Welch, Chair	X	
Don Billings, Vice Chair	X	
Christopher Dull	X	
Jeff Justus <i>arrived at 9:45</i>	X	
Jack Kubota	X	
Jim Peugh <i>arrived at 9:53</i>	X	
Irene Stallard-Rodriguez	X	
Ex-Officio Members:		
Luis Natividad, Metro JPA	X	
Ken Williams, City 10	X	

City representatives present at dais: Halla Razak, Director; Tom Crane, Assistant Director; Tom Zeleny, Deputy City Attorney

2. Non-Agenda public comment

None.

3. Approval of Draft Minutes of December 16, 2013

Chairwoman Welch asked for a motion to approve the minutes of December 16, 2013.

ACTION: Member Stallard-Rodriguez moved to approve as submitted, Member Justus seconded. Motion passed 7 (in favor) - 0 (opposed).

4. Chair updates – Chairwoman Welch

- The Department requested that two IROC member participate in planning the development of the Department’s FY15 Strategic Initiatives. This is a great opportunity to be involved. Three meetings have been scheduled at 8:30 a.m. – 1:30 p.m. on May 2, May 30, and June 20 at the Alvarado facility. Those wishing to volunteer please let her know. She noted that all 3 sessions need to be attended, if so. This item will be revisited next IROC meeting to give the new IROC members an opportunity to participate as well.
- IROC’s FY15 Annual Work Plan will need to be developed and presented to the Environmental Committee of City Council by May 1. She will discuss this with Tom Crane, Assistant Manager, and John Gavares, Strategic Support Services Manager, today to plan.
- All IROC members are welcome to attend the Metro/JPA meetings that are held here at MOC II on the first Thursday of each month. Lori Peoples (LPeoples@chula-vista.ca.us) is the contact for this Commission.
- IROC Vice-Chairman Billings and Brent Eidson, Department Program Manager of External Affairs, taped a segment on water rates, supplies with the Direct Potable Reuse Project, etc. on NBC. Voice of San Diego also commented on the rate impact of high water users.

5. New IROC Appointments – Chairwoman Welch

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She attended a Council meeting on January 14, 2013 and spoke in support of the two current IROC members to be reappointed (Jack Kubota and Jeff Justus), they were reappointed unanimously. Three new IROC appointees were recognized and approved as well. They are: Tiffany Mittal, Gordon Hess, and Craig Chapman. Ms. Mittal is not in attendance today, she is on maternity leave. She then introduced Mr. Hess and Mr. Chapman, and asked them to say a few words.

Mr. Hess gave a brief description of some of his recent work on the Long Range Water Supply Advisory Task Force, Water Policy Implementation Task Force, and mentioned that had 20 years with the San Diego County Water Authority. He added he has a background in irrigation, flood/erosion control work with the Federal Government. Currently he has his own consulting business working on rate structure, water supply development and other things of that nature. He looks forward to working with IROC.

Mr. Chapman indicated that he is currently working with the San Diego Laborers Local, in the Organizing Department. He mentioned he has 30 years experience in construction, mostly with heavy industrial and infrastructure. He has experience with water treatment plants, pump stations, aqueducts, rain channels, and such. He noted he is from Las Vegas, Nevada where a lot of experience was gained in the water/field business. He looks forward to being part of IROC.

Member Kubota thanked IROC members and City staff for endorsing him to be reappointed on IROC, and looks forward to another term. He also mentioned that Chairwoman Welch did a wonderful job presenting this item to Council. Member Justus concurred and added he had another engagement to attend and was not able to stay the last few minutes, due to a hold-up in the previous item, where he was reappointed and thanked Chairwoman Welch for speaking on his behalf.

Tom Crane indicated that the Department would like to schedule a briefing to the new IROC members at 9:00 a.m. on Monday, February 10 before the Infrastructure & Operations Subcommittee meets.

6. City Staff updates

Announcements/Informational Updates: *Halla Razak, Director*

- On January 17, the Governor declared a statewide declaration of drought in California. The City has been working closely with the other water agencies assessing our water supply and future plans. She and Brent Eidson put together talking points, and shared with the Mayor's Office and also provided to IROC members and attendees today. She reviewed the handout, and added that for now, it is not expected to have additional restrictions for water use in 2014; however we should always be mindful of water use.
- The Department has embarked on an optimization study, and have partnered closely with the unions representing employees, to discuss and share ideas generated from the employees, which is most valuable. Hopefully, results from the study will be available this summer, and looks forward to sharing the implementation plans with IROC.

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- She indicated that she wants to focus on doing a better job of communicating to the rate payers and external stakeholders all of the great work that happens internally. The Department has a lot to be proud of, and this needs to be known. She indicated that the employees, the management team, Chairwoman Welch, and a consultant will work together to embark on this goal.
- The Department has been working hard on the Potable Reuse Project and secondary equivalency. A major role is putting together structure for the outreach. She will meet with the Mayor's Office this week to share the initial outreach ideas. She will also meet with each Council member, and then outside stakeholders. Once finalized, she will share the information with IROC.
- She reminded IROC members of the education tours that are provided by the San Diego County Water Authority and she will re-send the information. She encourages IROC members to attend if they have not been.

Sanitary Sewer Spills Update: Agnes Generoso, Deputy Director, Wastewater Collection

- CY 2013: Total spills 45 compared to 40 in CY 2012.
- The volume this year was at approximately 74,000 gallons compared to approximately 20,000 in CY 2012. The primary cause continues to be roots.
- 1 spill to public waters CY 2013, and 4 canyon spills.

Vice Chairman Billings asked how many gallons are put through the sewer system each day. Ms. Generoso indicated approximately 140M gallons per day. Vice Chairman Billings noted that with a yearly volume of only 74,000 gallons spilled in comparison is excellent.

Chairwoman Welch asked how leaks are reported or detected when in a canyon, and how can you find before a lot of water is already spilled. Ms. Generoso indicated most are only trickles, so generally are not a lot of gallons spilled per minute. They are usually reported by passers-by, residents, and hikers.

Water Main Breaks Update: Stan Medina, Deputy Director, Construction & Maintenance

- CY 2013: Total of 90 water main breaks compared to 102 in CY 2012.
- Average approximately 105 main breaks per year.
- Water hydrant knock-overs: CY 2013: 93 opposed to 104 in CY 2012.

Director Razak added that the Department has been concentrating on the replacement of cast iron pipes. The vast majority has been complete, with approximately 80 miles remaining. There is also an aggressive AC Pipe replacement effort underway and she will follow up in a future meeting and things progress.

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Pt. Loma Waiver Update: *Halla Razak, Director*

The Department has engaged Alan Langworthy to assist on a part-time basis strictly concentrating on defining the secondary equivalency, and gather information for submitting the application by the deadline. Updates to IROC will continue as things progress.

Member Kubota suggested that by referring to the process as “applying for the Pt. Loma Waiver”, may give the wrong message and suggest it be recognized as “applying for a Modified Secondary Permit”. Director Razak concurred and the messaging of this effort is being discussed currently, and updates will be shared with IROC.

7. **Mayor and Council Staff Comments**

None.

8. **City 10 – County Water Authority Update**

- No current Board updates.
- MET lawsuit trial is complete, but has no decision yet. Final arguments in front of judge to occur on 1/23/14.
- Water outlook is still very dry. Locally running less than average on rain. The CWA is in process of consulting with member agencies as to what type of action can be taken now. There is a fair amount of storage currently.
- The tours available that were mentioned by Director Razak are very information and he encourages members to go, with the Bay Delta being more helpful if one can only attend one.

Vice Chairman Billings commented that snow-pack levels have only been tracked approximately 100 years, and when comparing our current situation to the past, it is best to keep in mind that dry weather is “usual”. Therefore, he believes that interpreting this as a “drought” is accurate, but in fact is “normal” for our climate. He also noted that this is a very important message to relay to the public so it is understood what we are facing as a region in the long run. Director Razak indicated she appreciates the input, and strives to get conservation messages to the public in many different ways, so they can understand and trust that the Department manages the resources it does have properly.

9. **Annual Water Conservations Report**

Luis Generoso, Water Conservation Manager introduced Chris Robbins, Supervising Management Analyst for Water Conservation. The Annual Water Conservation Report for FY 2013 was distributed. Mr. Robbins indicated the Water Conservation Act of 2009’s requirement is to have all urban water suppliers reduce gallons per capita per day to 20% by 2020. He then discussed some of the savings for local water conservation by the City and individuals. He pointed out that over 328,000 toilets and urinals have been retrofit through the programs, which equates to about 10.27 mgd of water savings.

Mr. Robbins then briefly reviewed different types of conservation rebates and survey programs, and commented about the latest poster and film contest, as well as the California Friendly Landscape contest. He then gave an update of the latest community

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outreach, and reviewed water consumption data from 2007-2013 and data shows that San Diegan's continue to conserve.

Vice Chairman Billings commented that he suggests another word other than "drought" can be used in future messaging, as this climate here is "normal" to be dry. He also complimented the effort by the Department. He added he hopes we continue to focus on the benefit, and get the political support to understand the value of this type of work. Mr. Generoso commented that for FY 2015, a proposal to add into the budget \$350K Department money, as well as Storm Water will put in \$250K to help pay for landscape rebates, which address a Storm Water best management practice.

Member Peugh inquired about customer survey programs. Mr. Generoso indicated if a customer requested a survey and it has been 2 or more years since a previous survey, they will complete a new survey. Recommendations are then made to better their conservation. Member Peugh asked about the probability of getting a Sociology department to look into seeing what can be inferred from this, as there is a lot to learn if optimized. Mr. Robbins indicated a partnership is developing with San Diego State University, and will communicate this.

Member Peugh added he would like to know what is regionally appropriate and reasonable. He suggested a health/sociology study be done to know what is actually possible as far as how much water people really need. Member Justus indicated that the Landscape Industry is doing this type of study, as the City, County, and State are mandated under conservation requirements for larger residential, commercial, and beyond and have to calculate what the maximum allowed water use is, and in additional studies. So this information is actually available.

Member Stallard-Rodriguez asked what outreach has been reached in the south San Diego. Mr. Generoso indicated there are several sponsored events with booths, such as Fiesta Del Sol, events at Home Depot in south San Diego, home and garden demonstrations at the library in Imperial Beach, for example. He added articles are also printed on newspapers in south San Diego, advertisements on Telemundo radio channel, etc. Ex-officio Natividad added he would like to recommend other means of communications to provide outreach in the south San Diego area to make sure appropriate groups are heard, and educated.

ACTION: Chairwoman Welch motioned to accept the Report as presented, Member Billings seconded. Motion passed 7-0.

10. **The Amendment to San Diego Municipal Code – Low Flow Toilet Retrofit Upon Re-sale Ordinance Revision**

Chris Robbins, Supervising Management Analyst for Water Conservation described SDMC 147.04 as it requires that all buildings be certified by indicated dates, as having specified water conservative plumbing fixtures **prior to change in ownership**, including ultra-low-flush toilets which will use no more than 1.6 gallons per flush (gpf). He noted that under the current Municipal Code, buildings with existing toilets manufactured to use no more than 3.5 gallons per flush need not be retrofitted.

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He then gave background to the Senate Bill 407, adding that the State Bill does not want to allow fixtures using more than 1.6 gpf, but holds an exemption. The City Attorney's Office researched whether the Ordinance currently complies with SB 407 and found that it does not. However, it does contain a "grandfather clause" providing that the existence of the City's Ordinance exempts the City from complying from SB 407 as long as the Ordinance remains in effect.

The City Attorney's office also researched if the City can amend the Ordinance without losing the exemption. They found that there is no authoritative law on the issue of a grandfathered ordinance becoming invalid if it is amended, but there are some risks associated. Mr. Robbins then listed Senate Bill 407 options.

Mr. Robbins then indicated that the Recommendation No. C9 from the Water Policy Implementation Task Force is to modify Municipal Code Section 147.04 to require retrofit at resale of all plumbing fixtures to water conserving fixtures, including replacing toilets that utilize greater than 1.6 gallons per flush.

Staff's recommendation is to introduce an ordinance to amend the Municipal Code Section 147.0403 to no longer allow 3.5 gpf toilets and instead require toilets that use 1.6 gpf or less. If implemented, the Department would also certify as compliant all properties built after January 1, 1994. He noted that water savings are estimated to be more than 182 million gallons annually. Ex-officio Natividad asked how SB 407 will be enforced. Mr. Robbins indicated that it has not been determined; however there are implementation dates to comply by.

Vice Chairman Billings commented that the cost to replace the existing 40,000 non-compliant toilets would be extremely high compared to the savings in water. He recommends not modify the Ordinance, and not jeopardize the grandfathering of the existing Municipal Code to the extent possible. Member Dull concurred, and that the exemption clause is confusing, and risky if it is amended perhaps. Tom Zeleny, Deputy City Attorney indicated it is believed that the risk of losing the grandfather clause is low, as the amendment brings the Ordinance more in line with State law but there are no guarantees.

Director Razak suggested the possibility of leaving the Ordinance as is and introduce another Ordinance that simply deals with the changing of properties and going to the 1.6 gpf. Mr. Zeleny indicted these types of things can strengthen the position, but not certain if risks can totally be eliminated. Director Razak is concerned with not complying with SB 407. Vice Chairman Billings commented that he believes exploring other ways to replace non-compliant toilets. ,

Gordon Hess commented in terms of the existing Ordinance, he would feel secure since it is tightening up, and would most likely not jeopardize the position. He added that perhaps lower income customers could use a rebate program to help them retrofit.

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Director Razak indicated that the Department is willing to table this action item, to look at other ways to address this issue if IROC desires.

Member Justus asked what the largest risk is, if the Department lost the grandfather clause. Director Razak indicated that if not followed through with the requirements, the risk would be losing grant funding. Vice Chairman Billings commented that it seems it will take several decades for the savings to be worth the risk of losing the grandfather clause by amending the Ordinance.

Tom Crane, Assistant Director, indicated that this action item will be tabled to the next IROC meeting.

11. Subcommittee Reports

a. Finance – *Chairwoman Welch - Alternate*

- Lee Ann Jones-Santos gave updates on the San Diego County Water Authority COSS for Desalination, Wastewater COSS, financial schedules that Mr. Hollingworth requested.
- Discussed the low income support for Water customers.
- Discussed the implementation plan from the Water Policy Implementation Task Force and recommendations and potential rebate opportunities.

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

- Discussed the CIP Crosswalk variance report with Darren Greenhalgh.
- Guest Dave Chamberlain of the San Diego County Water Authority gave an overview of their water facilities' Master Plan and Climate Action Plan, and their diversified approach to ensuring water availability beyond 2025 and current projects.

c. Outreach and Communications – *Irene Stallard-Rodriguez, Chair*

- Customer Support and Call Center update by Michael Vogl, Deputy Director.
 - Move went well to the new location
 - Average wait time is 2 minutes, 38 seconds opposed to 2 minutes, 20 seconds in December. Spanish queue time has not improved as of yet.
 - Staffing levels have improved.
 - 400-600 calls per day, however the online customer portal has improved.
 - New walk-in payment center added to 525 B Street on the ground floor, and credit/debit cards are now accepted. 60 new locations have been added such as Walmart and Kmart for example.
- Updates on the Pt. Loma Waiver Permit and Potable Reuse by Brent Eidson, Program Manager, External Affairs
- Member Kubota had concerns about the Warranty Insurance Program for sewer laterals, and will bring back to IROC.

12. Metro/PA – Report Out

No report, the last meeting was cancelled.

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13. Proposed Agenda Items for next/future IROC meeting

- Exploring low income support for Water customers
- Development of the FY15 Work-Plan
- Toilet Retrofit discussion
- Advanced Metering Infrastructure Update
- Presentation on the Pt. Loma Waiver
- Allocation of cost for Desalination update

14. IROC Members' Comments

Member Stallard-Rodriguez expressed her appreciation, and commended Andy Hollingworth for his fine work Chairing the Finance Subcommittee, and all of his great contributions to the IROC as a whole. Chairwoman Welch concurred and added that Councilmember Faulkner had commented at the City Council meeting recognizing Mr. Hollingworth's efforts.

Vice Chairman Billings would like to know if now that credit/debit cards are accepted for payment in Customer Service is all personal and credit card information kept on file in a data base, and is it confidentially secure. Director Razak indicated she will meet with the IT Department and follow up with IROC.

Member Peugh asked if there is a separate response time for the Spanish language, for the Customer Support phone line. Member Stallard-Rodriguez indicated they did not have the metrics at the time, but would be getting back to IROC. She also suggested IROC members call the Customer Support phone line to see what type of response time they experience. Vice Chairman Billings commented there are private contractors that warm-transfers can go to, and is a great resource.

Member Peugh asked for an update on the allocation of cost for Desalination. Lee Ann Jones-Santos indicated that updates have been given at the Finance Subcommittee meetings, and as it is finalized, a presentation would be brought to the full IROC. She added that there is a working group with the San Diego County Water Authority that Marsi Steirer, Cathi Pieroni, and she are participating on. Also planned is an update with the working group to discuss how to move forward with presenting information to the Board.

Vice Chairman Billings noted that Chair position of IROC will be open in a few months, and suggested those members who are interested may want to think about this opportunity.

Meeting adjourned at 12:10

Minutes submitted by: Monica Foster