



Independent Rates Oversight Committee (IROC)

July 21, 2014
MINUTES

1. **Roll call**

Chairwoman Stallard-Rodriguez called to order the regular meeting of the IROC at 9:35 a.m. Monica Foster conducted roll and a quorum was declared. Attendance is reflected below:

Members:	Present	Absent
Irene Stallard-Rodriguez, Chair	X	
Don Billings, Vice Chair	X	
Craig Chapman	X	
Christopher Dull	X	
Gordon Hess	X	
Jeff Justus	X	
Jack Kubota		X
Tiffany Mittal	X	
Jim Peugh	X	
Gail Welch	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**

No members from the public commented.

3. **Approval of Draft Minutes of June 16, 2014**

Chairwoman Stallard-Rodriguez asked for a motion to approve the Minutes.

ACTION: Upon motion by Member Dull and seconded by Member Peugh, motion passed 8 (in favor) -0 (opposed) -1 (abstain - Billings).

4. **Chair updates** – *Chairwoman Stallard-Rodriguez*

None.

5. **City Staff updates** – *Halla Razak, Director*

- Drought update: Currently working with the San Diego County Water Authority (CWA), the State, other agencies, and staff members and will report out in the near future.
- Pure Water update: Workgroup is quite active, and recently toured the Orange County Replenishment District as well as the IPR facility.
- Productive discussion on the Secondary Equivalency language, and moving along great. They are focusing on putting the Waiver package together, and will bring to IROC and City Council before submission. This package must have the application as well as a side Agreement with the environmental community.

Independent Rates Oversight Committee (IROC)

July 21, 2014
MINUTES

Vice Chair Billings inquired about the City's response to the drought, and if it mirrors what the State Water Quality Resources Board did in terms of run-off and potential fines. He commented that for the State board to suggest that outdoor waste is different/worse from indoor water waste, is completely absurd. He asked if the City is able to introduce "drought rates" that would apply to all water users equally, for example. Director Razak indicated the Muni Code has provisions for fines that are quite a bit more onerous. There are discussions taking place with other jurisdictions as well, and once this is defined it will be shared with IROC.

Vice Chair Billings also asked if the City has the opportunity to establish their own rules, such as using pricing to influence demand, rather than using a complicated set of rules to try to effect behavioral changes. He indicated that he hopes the City can take an opportunity to work with the City Attorney's Office to approach this more effectively than the currently outdated approach, in his opinion. Tom Zeleny, Deputy City Attorney, indicated that in his understanding the State rules are for those agencies that do not already have their own drought restrictions, which the City does, so it would not apply. In terms of drought rates, fines are imposed for the cost of service not for penalty purposes, according to Prop. 218.

Director Razak added if there is a dry winter, there will be allocations set soon, there is a meeting with the CWA this week to decide going to Level 2. She noted that their Level 2 is equivalent to the City's Level 1.

Vice Chair Billings commented that if allocations are set he does not understand how they will be enforced. He reiterated that if the City is given the flexibility in setting rates, drought rates should be explored as other agencies do, such as Olivenhain Municipal Water District currently uses.

- Brent Eidson introduced the newest Communications team member, Javier Inzunza. He is a Management Intern in the Internal Affairs section and will expand the utilization of social media, and assist with translation services on the Water Quality Report. Mr. Inzunza is a 3rd year Junior at SDSU with a major in Communications, and also sits on the Associated Student Body being vital in the communications and outreach efforts related to their new Student Union.

6. Mayor and Council Staff comments

None.

7. City 10 – San Diego County Water Authority (Water Authority) Update – Ken Williams

Note: This item was heard out of order, and followed Item 9.

- Mr. Williams indicated that he concurs with Member Billings in using fees to be part of the equation of cutting water use, but understands it may not be possible.

Independent Rates Oversight Committee (IROC)

July 21, 2014
MINUTES

- County Water Authority update: San Vicente Dam ceremony was held last week. San Vicente Dam is complete, but not filled at this time.
- Carlsbad Desal Plant: Still on track, and is scheduled to open in the fall of 2015, and will add 50,000 ac/ft.
- Metropolitan Storage Levels: In 2014 MET had 2.3M ac/ft in storage. It is anticipated to use 1.1M ac/ft in 2014, which will take it low. Some points of view are that MET should address the storage in other ways.

8. Water Main Breaks & Sanitary Sewer Spills Reports – Agnes Generoso/Isam Hireish

a. Sanitary Sewer Spills Information:

- Sewer spills at record lows. Year-to-Date: 11 spills compared to 24 spills this time last year
- Public Water Spills: 1
- Canyon Spills: 0
- Volume released to the environment = 3,462 gallons
- Total number of Spills per 100 miles of pipe = 0.4 (as compared to the industry average of 2/100 miles of pipe).

b. Isam Hireish provided charts showing water main break stats.

- Number of water main breaks since April: 11 compared to 16 last year at this time.

9. State Water Mandate Update

Note: This item was heard out of order, and followed Item 6.

Mr. Robbins gave background of the drought declaration and description of Level 1 Drought. He noted that drought impacts differ throughout the state, the State Board approved a resolution requiring local agencies to implement local water shortage contingency plans and mandatory restrictions on outdoor water use. He then reviewed the SWRCB Emergency Regulations Sec. 864 prohibited activities directed toward water users, which includes citations and fines. Mr. Robbins also listed specific permanent restrictions that are in effect at all times since 2009.

He indicated that enhanced outreach includes media buys, to promote water conservation practices and programs through San Diegans Waste No Water. This was recommended by the Water Policy Implementation Task Force, and coordinates with Metropolitan Water District and the County Water Authority to maximize reach. He noted that some of the local outreach items include the City's webpage carousel, a new MTS Trolley wrap, City website ad, KPBS news channel website carousel, and community event tables.

Vice Chair Billings commented that a rolling-bar chart is helpful showing customers their yearly water use, so they can see where they are daily, as well as compared to their previous year. Mr. Robbins indicated the City of San Diego has similar information

Independent Rates Oversight Committee (IROC)

July 21, 2014

MINUTES

available on their monthly bills. Vice Chair Billings commented that another helpful chart to display would be showing if the customer is within their 10% savings, and how they compare to similar users. He added that using simple picture graphics seems to be the best communication tool for the average customer, rather than using numbers.

Member Mittal stated that presenting dashboard information to the customers, there should be a reduction in water use since the customer can monitor their daily use online. Luis Generoso added that the Advanced Metering Infrastructure (AMI) project, the web portal will have similar dashboard information. He added that Water Smart software gives the same feedback to customers, and this is being looked in to.

10. Advanced Metering Infrastructure (AMI) Update

Note: Member Dull abstained from this item due to his employer's affiliation with this project.

Mike Vogl, Deputy Director of Customer Support, reminded IROC that the project is limited to approximately 10,000 monthly customers, and about 1,000 bi-monthly users in a specific pressure zone for testing purposes. The cost of this project is approximately \$6M. He then summarized the project actions to date, and shared various pictures of the actual installed devices. He shared that with some installation locations, some processes involved were more complicated than originally anticipated.

He indicated that after network deployment, meter replacement, interface development, the final endpoint deployment, the final system acceptance is targeted for the end of November 2014.

Member Hess asked if someone has an AMI ready meter, is the City considering allowing an opt-in program for a fee to allow homeowners to participate in the program. Mr. Vogl indicated that at this time, one of the goals of the project is to gather more information to have a more realistic business case, and understand the cost and benefits associated with AMI. Therefore, a decision has not been made at this time but it is being considered.

Member Chapman asked if the devices above ground are tamper-proof. Mr. Vogl indicated they are not fully tamper proof, however if they are tampered with a signal will be sent to alert staff in near real-time. In that case, repairs/replacements will be done.

Member Mittal asked if once all are installed, what will be done with the study, and what benefits is the City looking for during this period. Mr. Vogl indicated the analysis will be done within 6 months; however the data will be looked at along the way so fine tuning can be done, and results/recommendations can be made and shared with IROC.

Independent Rates Oversight Committee (IROC)

July 21, 2014
MINUTES

Member Mittal added that this type of program offers a lot of conservation value, if the end user is getting the information daily. Mr. Vogl concurred and added that as part of this program, a customer portal will be added through the existing online portal where AMI customers can view their data and utilize the information to monitor and change their current water use behavior, as well as subscribe to notification alerts.

Member Hess asked that if it has been considered by the City to use the data to inform irrigation customers, when they are reaching their threshold that was determined at the time their building permit was granted. It has not been discussed, for irrigation customers specifically.

Member Mittal asked what type of outreach has been done for the retail customers who are participating in this AMI test sample group. Mr. Vogl indicated that before ITRON installs endpoints, letters are sent to these specific customers notifying them and introducing the product. He added that there is an overview of the program on the City's website, and events will be scheduled in the future to inform customers how to utilize the information.

Member Welch asked if for those that have a more significant irrigation project, is it possible they could purchase their own AMI system to capture and monitor their own data. Mr. Vogl indicated that this option is being looked into.

Ex-officio Member Williams asked what the projected date is for having the entire customer base installed. Mr. Vogl indicated at this time, once this process is complete and with the 6-month waiting period to gather data, future roll-outs can be discussed and projected. If, for instance, the decision is to install 10,000 service locations per year, it would be tens of years to completely roll out to the entire customer base.

11. FY 2014 Annual Report Preparation

Chairwoman Stallard-Rodriguez indicated she would like to have an Ad hoc planning session consisting of all IROC Chairs to discuss the FY2014 Annual Report. Member Welch indicated that she will volunteer to be on the Ad Hoc Committee as well, to help facilitate. It was noted by Tom Zeleny, Deputy City Attorney, to be careful of a creating a quorum of a subcommittee. After discussion, it was decided that Chairwoman Stallard-Rodriguez, Members Hess, Peugh, Billings, and Welch would meet at this facility on August 11, at 9:30 a.m. in Conference Room 1E.

12. Subcommittee Reports

a. Finance – Gordon Hess, Chair

- Discussed the Customer Service Call Center operations, after the recent tour of the Center, it was interesting and useful to understand the operation.
- Background Report on the Recycled Water Cost of Service Study. It is now undergoing a revision, and should get an update in the next few months.

Independent Rates Oversight Committee (IROC)

July 21, 2014
M I N U T E S

- Ms. Rita Bell, representing the Otay Water District gave comments related to their perspective of their recycled water study as well.

b. Infrastructure and Operations – Jim Peugh, Chair

- Presentation on water main breaks and sewer overflows. The provided data was very helpful, and is looking forward to a continuous flow of this information.
- Presentation on the Wastewater Pipeline Condition Study. This is a large and valuable study utilizing \$8M over 5 years. It should bring a significant overall reduction of cost to the City, and make the system more reliable. More updates will come in the future.
- Presentation on the Pure Water Program.
- Discussed the planning of the IROC Annual Report.

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

- A letter to the editor questioning the costs of having several different languages included in the Annual Water Quality Report, prompted discussion. The different languages are online through Google Translator. The 2012 AWQR report costed approximately \$133,000, and the 2013 AWQR is three times larger with more information, higher quality and in color at a cost of \$180,000. This is also available online.
- Presentation of the Conservation update, which was discuss in this meeting.
- Discussed the planning of the IROC Annual Report.

13 Metro/JPA Report Out

No comment, this meeting was cancelled.

14. Proposed Agenda Items for next/future IROC meeting

- Information on the new San Diego Works Program.

Mr. Crane indicated there was an announcement about the new San Diego Works program, which is being put together now. It encourages collaboration within and between the departments to submit ideas that could generate savings and produce efficiencies and improve processes. As more information is available, it will be shared with IROC.

- Member Peugh asked for an update on the Department's turnover rates, recruitment, vacancy rates, and those in the DROP program, etc. covering all levels.
- Continued update on the drought.
- Update/feedback on the insurance program for the sewer system at the residential properties that was discussed some time ago.

Mr. Crane indicated the Corporate Sponsorship Program can be contacted to present this item.

Independent Rates Oversight Committee (IROC)

July 21, 2014

MINUTES

15. **IROC Members' Comments**

None.

Meeting adjourned at 11:40 a.m.

Minutes submitted by: Monica Foster