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Independent Rates Oversight Committee (IROC)

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Agency: City of San Diego- Boards & Commissions

Date: Sept. 16, 2024

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Summary

The Independent Rates Oversight Committee (IROC) serves as an official advisory body to the Mayor and City Council on issues relating to the oversight of the City of San Diego's water and wastewater services. Meetings are held at the Metro Operations Complex H Auditorium at 9192 Topaz Way, 92123 (when a quorum is present.)

Here's what you need to know

- Many seats on this committee are either [unfilled or are filled with expired appointees](#). The Mayor is responsible for appointments to the committee.
- Things are getting better in Customer Support of the Public Utilities Department (PUD), but department staff continue to refine the processes.
- Water bills in January 2024 categorized as "held or implausible" numbered 24,000. This has been reduced to 15,000 (September 2024.)

Immediate Actions

- Approval of the January 16, 2024 minutes, adoption of the FY25 Work Plan, and the selection of Chair and Vice Chair were done unanimously.

Accessibility Issues

- There were difficulties with the speaker microphone but were resolved.

Follow-Up Questions

- Every seat on this important committee is either [vacant or occupied by someone whose term has expired](#) (which is allowed until a replacement has been chosen and approved.) This has made it hard to reach quorum and this is why this is only the second meeting this year.
- The goals for improvement in Customer Service seem well-chosen, and are clearly defined with a timeline; hopefully meeting those goals will improve things for San Diegans,
- The problems with metering and billing for water service go back many years and seem to be much harder to improve.

Notes

Meeting Call to Order:

- The meeting was called to order at 9:33 am by Chair Linh Quach.
- The agenda for this meeting may be viewed by clicking [here](#), while an audio recording of the meeting may be found by clicking [here](#).
 - **All timestamps below were taken from the audio recording.**

Commissioners, Councilmembers, or Committee Members in Attendance:

- Linh Quach, Commercial and Industrial Ratepayer Representative, Chair
- David Akin, Single-Family Residential Ratepayer Representative, Vice Chair
- Gordon Hess, Temporary Irrigations & Construction Representative
- Jeff Justus, Environmental Science Professional Representative
- Jack Kubota, Engineering Professional Representative
- Jim Peugh, Environmental I Representative
- Absent: Jerry Jones, Ex-Officio/Metro JPA Representative

Staff Present:

- Bonny Hsu, Deputy City Attorney
- Yajaira Ghast, City staff
- Michelle Costello, Customer Support Division, Public Utilities Department
- Nicole Roesler, Assistant Deputy Director of Finance, Public Utilities Department

Agenda Item #1: Roll Call

- All were present except Jerry Jones.

Agenda Item #2: Non-Agenda Public Comments:

- None.

Agenda Item #3: IROC Chair Update:

- None.

Agenda Item #4: IROC Members Comments/Requests for Future Items

- Public comments: None.
- Commission, Council, or Committee comments:
 - (1:30) Jim Peugh would like an update on the AMI project which staff said did need to be brought to the commission. Chair Quach said she was taking note of this item and all of the other items mentioned during this section as well. Peugh also requested an update on the [filling of member vacancies](#) on this [Committee](#). He later added that the federal government has made recent changes for regulations on both [PFAS](#) and [microplastics](#).
 - (2:10) A commissioner said that the Work Plan to be voted on later in the meeting contained many items that need to come before the commission.
 - Gordon Hess said that the Pure Water project and the status of the [cost of service](#) study are important topics.
 - (3:32) Jack Kubota would like updates on pending items, like on spills, the Mission Bay overflow, and the pump station number three at Midway during the big storm and the San Vicente [Pumped Storage project](#). On condition assessment, the bridge that goes to the wastewater treatment plant, and the Hodges Dam update. Also, the PureWater II program, and at least an annual report on capital improvement projects, from the engineering and capital improvement divisions.

Agenda Item #5: Approval of Draft Minutes from the meeting of January 16, 2024

- (5:46) Minutes were approved unanimously.

Agenda Item #6: City Staff Updates: From **Yajaira Gharst**, Interim Assistant Director for the Business Support Branch:

- Presentation:
 - (6:50) The department continues to deliver clean drinking water and

wastewater services while continuing to strengthen our operations.

- Department updates:
 - New members to the Public Utilities Executive Team:
 - Nicole Riesler, new Assistant Deputy Director, Finance Division.
 - Michelle Costello, new Deputy Director, Customer Support Division.
 - Visits:
 - (8:00)Council member Campillo to Alvarado Water Treatment Plan and Murray Dam.
 - Council member von Wilpert to the meter shop.
 - Council member Lee to North City Pure Water Facility.
 - Vacancies:
 - 16% job vacancy rate.
 - 322 full-time vacancies
 - Recruiting for a new Deputy Director for the Water Distribution Division
- Public comments: None.
- Commission, Council, or Committee comments:
 - Questions (Q) from commissioners and answers (A) from Ms. Gharst:
 - (9:42) David Akin
 - Q: **Is the vacancy rate healthy for the industry?** A: Other similar agencies in California have 12-16% rates so in line with them. Previously, rates here were at 30%.
 - Q: **Has the change in the pension system helped?** A: “Yes, definitely, along with some of the recent pay increases.”
 - Gordon Hess
 - Q: **Status of rate lawsuit?** A: The city was Initially against the lawsuit and considered appealing, but she said she didn’t know the current status.
 - (12:49) Jack Kubota mentioned an [SDUT article](#) (paywall) on Pure Water 1 and 2 about cost overruns, so he asked for more detail on those.
 - (14:38) Jim Peugh
 - Q: **Is the referenced article accurate?** A: The city has seen construction cost estimates 30 to 50 percent higher than original bids, and where the city can rebid the items, it does “We do have the right team, though (spearheading the project),” she said. She offered to have an item on a coming

meeting that includes cost information.

- (15:19) Linh Quach
 - Q: **Is 60% completion at this time on target?** A: It's doing really well. She offered to coordinate a tour for commissioners.

Agenda Item #7: Presentation: Customer Support Division Update

From **Michelle Costello**, Customer Support Division, Public Utilities Department

- Public comments: None.
- (17:16) Presentation:
 - A brief overview of the division, which has three main groups:
 - The Customer Engagement Center. is made up of about 50 team members. On average, the center receives about 14,000 calls a month. It also receives about 29,000 web forms annually, and 24,000 emails.
 - The billing finance financial analytics team also has about 50 members. That team processes 408,000 payments. In addition, that team has a field investigation team, representatives who annually conduct 3,500 field investigations and 245 consultation surveys. In addition, this is the team that manages and creates various financial reports for the commission.
 - (20:26) The systems performance and workforce analytics team supports the entire division with systems, training, and development of any big initiatives around technology which is going to support the organization.
 - Challenges faced and solutions developed by the teams include:
 - The first major challenge in the Contact Center is customer wait times in the Contact Center. She said that, in the past, wait times have exceeded an hour, which caused much customer and staff frustration. But wait times have dropped 66 percent, from 25 minutes in July to 8 minutes in September.
 - (22:37) 13 new customer service representatives will begin work in the fall.
 - “Callback,” a feature in the new Amazon Connect system allows customers to hold their place in line and get a callback when available.
 - “We want to make sure we are not undercutting service and

customers remain satisfied, so after calls are completed, customers are asked a series of questions. Our satisfaction rates are pretty high: 87 percent said our agents were able to resolve their concerns. 84 percent were satisfied or very satisfied with the service provided. 92 percent said our agents were courteous or very courteous and 91 percent said our agents were knowledgeable.”

- (25:11) Looking ahead: [“Medallia”](#) is an “Engagement Management” system used citywide that the department will study for its use.
- The response time for forms varies. Start/stop service ranges from one to seven business days. All others range from one to 12 days. Modernization plans include a process whereby the CSR (Customer Service Representatives) will not have to re-enter the form, but only review it, make sure it is correct, then submit it. It is unknown whether once wait times decrease, will customers still phone or will they be satisfied with the result from the form?
- (30:43) Emails: customers sometimes submit multiple emails, which can be a slower process for customers to receive a response. City forms create the same problem, because the customer does not know what is being done so will often reconnect in some way. The goal is to complete the review and response to a customer process in a couple of business days.
- Multiple phases in this modernization process will involve IT over a couple of years.
- (35:33) Billing and financial analysis team
 - A long-standing issue with water meter reading caused a big backlog in billing.
 - The biggest backlog is from meter readings that are called “implausibles.”
 - A meter read can be implausible because the consumption is very high, or the consumption's very low. Maybe there was a previous error or incorrect code within that account.
 - In January 2024, there were over 24,000 held bills or implausibles. “I'm happy to report today that we are making really great progress with this backlog,” she said. ““We are down to 15,000 (today.)”.

- “We have had a 27 percent reduction in the backlog since June 2024.”
- Another 2.75 full-time employees will be added to focus solely on this backlog. The division continues coordinating with meter services to ensure the rate of meter replacements and meter issues stays consistent.
- (40:18) This team also does field investigations. Sometimes when those reads come in or a customer calls, a staff member is sent to validate the read. Working through all the implausible reads increases the number of field investigations.
- (45:59) The System Performance and Workforce Analytics team's responsibilities include:
 - A new customer portal modernization will have three total phases. This first phase involves using the Salesforce company platform, and updating web forms most used and needed by customers.
 - Training has started with an initial group of CSRs on how to work these new web forms and what the new system will look like. A goal is to avoid requiring a CSR to have to reenter forms' information.
 - The customer-facing web page within the Public Utilities Department currently features a very long list of links, and hyperlinks to various pieces and parts of the department. A consultant recommended creating buttons or icons related to the tasks that customers most frequently come to the website to do.
 - The updated website will feature simple-to-read icons that link directly to the task requested. Customer feedback and CSRs will help further refine the webpage. The updated webpage will be launched in October.

Agenda Item #8: Presentation: PUD's FY25 Adopted Budget: From Nicole Roesler

- Presentation: (52:57) An Update on the FY25 job budget
 - Hiring personnel for Pure Water Phase 1 and planning for Phase 2 continues.
 - Regulatory compliance drives the focus on the dam safety management program, costs related to power reliability and our street preservation ordinance.

- The number of full-time employees increased to 41.5.
- (54:36) The only portion of the PUD that receives General Fund (GF) money is the Reservoir Recreation Programming, and this year the budget included a reduction of almost \$60,000 from the GF, which was going to impact programming levels. Plans were for the lakes: Hodges, El Capitan, and Sutherland reservoirs to reduce the number of hours that recreational programs would be open to the public. “Fortunately, the County of San Diego stepped up and provided a \$50,000 contribution to the city, so there were no impacts to program levels this fiscal year for those (recreational) programming services.”
- PUD received a grant of \$240 million for its dam safety program.
- The initial water purchase budget in June assumed a 20 percent increase in prices from the San Diego County Water Authority (CWA). In July the CWA board approved an increase of 14%, so those expenses were reduced.
- The Chollas facility needed some immediate construction due to land settling, including the PUD’s portion of the parking lot.)
- (57:52) The cost of service study for water and for wastewater will be completed in December and should be brought to the commission’s December or January meeting.
- Public comments: None.
- Commission, Council, or Committee comments:
 - There were questions about the the Chollas operations center construction that includes some minor settling in city offices onsite which do not impact working conditions.
- Commission, Council, or Committee action:
 - None

Agenda Item #9: Discussion: Adopt FY25 Work Plan

- (1:03:39)Presentation: None.
- Public comments: None.
- Commission, Council, or Committee comments: None.
- Commission, Council, or Committee action: Moved by Gordon Hess, seconded by Jim Peugh, the Committee voted unanimously to adopt the FY25 Work Plan.

Agenda Item #10: Discussion: Select Chair and Vice-Chair

- Presentation: None.
- Public comments: None.
- Commission, Council, or Committee action:
 - For Chair: Linh Quach was nominated by David Akin, and seconded by Jeff

- Justus, she accepted and was elected unanimously.
- For Vice-Chair: David Akin was nominated by Linh Quach, and seconded by Jeff Justus, he accepted and was elected unanimously.
 - (1:05:41) Commission, Council, or Committee comments:
 - David Akin suggested that the committee begin scheduling subcommittee meetings so that if a subcommittee can at least make a quorum, some information could be shared later. Deputy City Attorney Hsu pointed out that the subcommittees should be meeting and working at the direction of the full committee to bring items to the full committee. Different ideas were discussed, including adjusting the number that is defined as a quorum, and members expressed their views that this has become a major problem. Several members would like to step down but feel the committee is important and no one else is there to take their place. They continue to reserve the monthly calendar date but meetings continue to be canceled due to lack of quorum. Staff said there are a number of applicants who have been asking when they may be appointed. (1:07:15-34)“Perhaps you can bring some pressure on the Mayor’s office to get this done (more and updated appointments to the commission,)” Akin said. “It is starting to feel to me that the city just wants this committee to die by attrition.” Despite meetings with the mayor’s office, committee members said they were frustrated. “If they don’t want us to do this anymore, they should just tell us,” said one member. Another member said the commission is very important and he will keep attending.

Agenda Item #11: Metro/JPA - Report

- None. (Presenter Ex-Officio Commissioner Jerry Jones was absent.)

Agenda Item #12: Adjournment:

- **Chair Linh Quach adjourned the meeting at 11:20 am.**

If you believe anything in these notes is inaccurate, please email us at documenters@inewssource.org with "Correction Request" in the subject line.