

Inland Empire Utilities Agency Regional Sewerage Program Technical Committee Meeting

MINUTES OF December 2, 2010 MEETING

CALL TO ORDER

A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on December 2, 2010, at the City of Chino Hills located at 14000 City Center Drive, Chino Hills, California. Steve Nix, City of Chino Hills, called the meeting to order at 3:59 p.m.

ATTENDANCE

Committee Members:

Steve Nix.....	City of Chino Hills
John Bosler	Cucamonga Valley Water District
Anthony La	City of Upland
Chuck Hays	City of Fontana
Mike Hudson	City of Montclair
Mohamed El-Amamy	City of Ontario
Jim Hill	City of Chino
Thomas Love	Inland Empire Utilities Agency

Absent Committee Members:

None.

Others Present:

Martha Davis	Inland Empire Utilities Agency
Christina Valencia	Inland Empire Utilities Agency
Ernest Yeboah	Inland Empire Utilities Agency
Randy Lee	Inland Empire Utilities Agency
Sylvie Lee.....	Inland Empire Utilities Agency
Tina Cheng.....	Inland Empire Utilities Agency
Chris Berch	Inland Empire Utilities Agency
Braden Yu	Cucamonga Valley Water District
Nicole Greene	City of Montclair
Shaun Stone	City of Upland
Chris Bond	City of Chino Hills

ACTION ITEM**1. Approval of Minutes – October 7, 2010**

↳ **Motion:** By Jim Hill/City of Chino, and seconded by Mohammed El-Amamy/City of Ontario, to approve the
↳ October 7, 2010 minutes as presented.

↳ **Motion Carried: Unanimously.**

INFORMATIONAL ITEMS**2. Fiscal Year 2011/12 Proposed Rate Increases for the Regional Wastewater and Recycled Water Programs**

Christina Valencia gave a PowerPoint presentation of the FY 2011/12 proposed rates for the Agency's Regional Wastewater and Recycled Water Programs. She outlined the key assumptions, key drivers, rate scenarios, options, cost containment, recommendations and the next steps.

In order to meet Prop 218 requirements, the proposed rates are recommended to be approved by February 2010.

Steve Nix/City of Chino Hills asked about FY 12/13 regarding employment allocations moved into administration and if those staff would stay in administration, be reallocated, or let go?

Ms. Valencia stated that they are working with all the managers in the Agency to determine where the best placement would be. In the past, engineers who were mainly focused on construction or CIP programs have been reassigned to Operations and cross-trained in those areas.

Anthony La/City of Upland thanked IEUA staff for starting the process early which gave everyone a chance to interact and work towards a solution everyone can live with. He felt that some of the cost containment measures; i.e., reduction of overtime pay, bonuses, cap on sick hour accrual is definitely a step in the right direction. He asked if staff could look at whether the lab costs could be deferred and asked if there was anything that could be done to keep those costs down to zero later on, reduce it and/or look at alternatives.

Thomas Love/IEUA responded that the objective was to move the lab project towards being "shovel ready" in case there is an opportunity for grant funding, but the design has been put on hold for the time being. He is okay with going back and evaluating the alternatives as that hasn't been done since 2006, but still move forward with the design, which is nearly complete, and watch for grant funding opportunities.

Anthony La/City of Upland stated that everyone is facing difficult times and asked to hear thoughts from his counterparts as to their ideas/suggestions in order to work together to look for solutions to protect the rate-payers.

John Bosler/CVWD agreed with Mr. La in that everyone is in the same situation. He would like to keep the rates as low as possible by continuing to look at cost control measures, cost-cutting, and take a look at it again next year.

Mike Hudson/City of Montclair commented on the 0% COLA and stated that everyone has a 0% COLA. He feels that it's not enough to just have a 0% COLA; we need to be looking at cuts in employee costs, not just keeping them level, actually dropping them down. He asked about the 2.5% increase in PERS and whether that was the employer's portion or the employee's portion.

Christina Valencia/IEUA stated that it is the employer's portion.

Mr. Hudson then asked about the 3% vacancy rate, or 9 positions, showing up in the budget as a cost. He questioned that, if they are vacant, why not eliminate them and have that reduction in the budget.

Ms. Valencia replied that the 3% vacancy is not funded and they are not reflected in the budget.

Jim Hill/City of Chino congratulated Christina on her promotion. He also thanked her and her staff for answering questions that he had. He asked that in the proposed scenarios, the rate increases, does that include moving forward with capital projects or deferring them?

Ms. Valencia responded that the scenarios that were presented included the fast-tracked projects.

Mr. Hill asked what would happen to the rates if the 3% were not allocated from the recycled water and just left it with the EDU rates? There were parts of that scenario that he liked and other parts he did not. He asked that when this comes back next month that this scenario be included for discussion. He's not sure that it would be supported but would like the committee to have a discussion on it that, if we keep the 3% where it is now, means that next year the EDU rate would increase by the \$.41 we've been talking about, but the recycled water rate doesn't increase at all. That's a topic for conversation he would like to see next month.

Mohammed El-Amamy/City of Ontario thanked IEUA staff for working with everyone and also extended his congratulations to Ms. Valencia. He asked about the lab and noted that the inception of the facility was quite a while back and conditions were different. He asked if it would be worthwhile to take another look at it; could it be phased over several years rather than spend all that money and debt service to build the facility.

Thomas Love/IEUA said that the last detailed alternatives analysis was done in 2006 when the initial needs assessment was done. It's something that should be looked at again particularly whether it should be accelerated or continue to be deferred.

Thomas Love/IEUA further stated that it's the Agency's intention to bring this back to the Technical Committee as an action item in January and bring it to the Policy Committee as an information item. The intent is to have it adopted in February so everyone has plenty of time to do what is necessary under Prop 218.

3. IEUA Strategic Energy Plan to go "Gridless" by 2020

Thomas Love/IEUA gave a PowerPoint presentation of the agenda item. He outlined the plan to get off the grid by 2020. He explained what "gridless" means and ways to minimize dependence on the grid while meeting energy demands during peak hours. He explained the benefits of going "gridless" and presented some baseline gap analyses. He discussed opportunities to improve energy efficiency and the challenges and opportunities ahead.

Anthony La/City of Upland asked if the treatment plants were on a tier rate structure.

Ernest Yeboah/IEUA stated that, yes, all the facilities except RP-5 have transmission charges from SCE but they buy the electricity from the direct market. During the summer, SCE rates are high but the electricity they buy from the direct market can be lower. One of the other things they are doing to curtail costs is

being involved in the demand/response programs. This means that we agree, when a demand/response is called, to reduce our usage at the facility and, through that, we'll be getting a check every three months.

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4. Pretreatment Summary Report

Thomas Love/IEUA introduced Martha Davis/IEUA who gave an update on the water softener program. Ms. Davis thanked the agencies and their staff for participating in the Water Softener Task Force. She stated that the last 3 meetings were about reviewing background information; i.e., what water softener usage in our region contributes in terms of salinity to our recycled water, why they're a problem, and the options for drafting an ordinance. They have talked about a prospective prohibition on the installation of water softeners which would work in partnership with the existing program where there is a rebate for the removal of existing ones. The idea is to remove the ones we can, using the rebate, and ask the public not to install the salt-based technology going into the future. Regarding an ordinance, there would be 2 ordinances; one proposed to be adopted by the IEUA Board of Directors for the regional program, and another model ordinance for the individual contracting agencies and cities on how the regional ordinance would be implemented through each contracting city. The next meeting of the Task Force will be December 9 and two representatives of the water softener industry will give a presentation; Pacific Water Quality Association, and Rayne of Covina. There is emerging technology in the United States (old technology in Europe) called "saltless" technology that they hope to hear about at this next meeting. The goal is to be a partner with the water softener industry and help them promote the "saltless" technology. The Task Force is hoping to have a final meeting in January to go over the entire package of materials, including the educational materials that would be available to the public, and then come back to the Technical and Policy Committees with a recommendation on the proposed ordinances. After that, the next step will be to hold a formal workshop at IEUA for not only a presentation of the proposed ordinance, but to talk about how important the economic impacts of salt management are for the region.

5. Fiscal Year 2009/10 Building Activity Summary and Ten-Year Growth Forecast

Thomas Love/IEUA asked the Committee to take a look at the forecast that staff provided in the report and advise if there are any corrections to it. The forecast has steadily declined over the last 4 years and, with those forecasts, IEUA does not anticipate requiring any major plan expansion within the window of the 10-year Capital Improvement Plan.

6. IEUA Monthly Water Newsletter

Receive and file the Monthly Water Newsletter included in the agenda packet.

7. FY 2009/10 IEUA Annual Water Conservation Programs Report

Receive and file the Annual Water Conservation Programs Report included in the agenda packet.

OTHER BUSINESS

8. Agenda Items for Next Meeting

None

9. Committee Member Comments

Jim Hill/City of Chino wished everyone a Merry Christmas and a Happy New Year.

10. Next Meeting – January 6, 2011

ADJOURNMENT - Meeting was adjourned at 4:55 p.m.

Transcribed by: *Pamela Sharp*
Pamela Sharp, Administrative Secretary, City of Chino Hills