Citizens Advisory Committee Meeting - August 17, 2020

1. Agenda Packet
   Documents:

   200817 AGENDA PACKET - POSTED 200813.PDF
Notice: Pursuant to Governor Newsom’s Executive Orders N-29-20 and 33-20, which in part, provide waivers to certain Brown Act provisions, meetings of the Citizens Advisory Committee will be held by teleconference. There will be no physical location from which members of the public may participate. Instead, the public may listen and/or view the meeting proceedings and provide public comment and comments on agenda items by following these instructions:

To join via Zoom Webinar from a computer, tablet, or smartphone, click on the link below:
https://zoom.us/j/91458023440

To join this meeting via telephone, please dial:
1-669- 900-6833 or 1-253-215-8782
Meeting ID: 914 5802 3440

If you are unable to access the meeting using this call-in information, please contact the Committee Secretary at (619) 409-6704 for assistance.

To provide public comment on non-agenda items or to provide public comment on any item of the agenda:

Before the meeting:
- Go to www.sweetwater.org; click on the “HOW DO I…” at the top of the page; and then click on the “Public Comment” link in the Contact section.

OR

- Physically deposit your public comment in the Authority’s payment drop box located in the public parking lot at the Authority’s Administrative Office at 505 Garrett Avenue, Chula Vista.

OR

- Mail your comments to 505 Garrett Avenue, Chula Vista, CA 91910 [Attention: Public Comment].

All written public comment submissions must be received 1 hour in advance of the meeting and will be read aloud to the Committee during the appropriate portion of the meeting with a reading limit of 3 minutes for each comment.
During the meeting:
The Chair will inquire prior to Committee discussion if there are any comments from the public on each item.

- Via Zoom Webinar go to Participants List, hover over your name and click on “Raise Hand.” This will notify the moderator that you wish to speak during Oral Communication or during a specific item on the agenda.

- Via phone, you can raise your hand by pressing *9 to notify the moderator that you wish to speak during the current item.

Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible. The above public comment procedures supersede any Authority standard public comment policies and procedures to the contrary.

1. CALL MEETING TO ORDER AND ROLL CALL

2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED IN THE AGENDA

3. PUBLIC COMMENT
   Opportunity for members of the public to address the Committee. (Government Code Section 54954.3).

4. ACTION AGENDA
   The following items on the Action Agenda call for discussion and action by the Committee. All items are placed on the Agenda so that the Committee may discuss and take action on the item if the Committee is so inclined, including items listed for information.

   A. Sweetwater Authority Outreach Program
      Presented by Leslie Payne, Public Affairs Manager

   B. Review and Discussion of the Citizens Advisory Committee Areas of Focus
      - FY 2020-21 Strategic Plan Updates
      - Maintain costs and cost of water as a primary focus of the CAC with ratepayer input via individual CAC Members (Discussion Requested by Member Sampsel)
      - Budget and Rate Setting (Discussion Requested by Member Sampsel)
      - Owner-Controlled Insurance Program, Reclaimed Water Opportunities, and Value Engineering Program (Requested by Alternate Member Schlesinger)

   C. Pay for Performance
      Presented by Member Sampsel and Alternate Member Schlesinger

   D. Nomination of the CAC Member to attend Board Meetings as suggested by Board Chair Castaneda during his presentation at the last CAC Meeting. (Item Requested by Member Sampsel) (No Enclosure)
E. Chair Naranjo Presenting at the Sweetwater Authority Board on August 26, 2020 at 6:00 p.m. (No Enclosure)

Per CAC Bylaws, the Chair will make quarterly presentations/updates to the Authority’s Governing Board.

5. NEXT MEETING DATE: September 21, 2020 at 2:00 p.m.

6. MEMBER COMMENTS

Opportunity for Members of the committee to briefly respond to statements and questions from public; ask clarifying questions; make a brief announcement; or report on activities. Comments should not revisit items previously discussed as part of the agenda. (Government Code Section 54954.2(a))

7. ADJOURNMENT

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority’s office and it is also posted on the Authority’s website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board or a majority of the members of the Citizens Advisory Committee regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

To e-subscribe to receive meeting agendas and other pertinent information, please visit www.sweetwater.org.
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Sweetwater Authority Outreach Efforts

Leslie Payne, Public Affairs Manager
About us

• The Public Affairs section reports to the General Manager
• Our team
  - Three full-time employees
    - Bachelors degrees in Communications (3)
    - Master’s Degree in Organizational Leadership
    - CAPIO PIO Institute Graduates
• Responsible for all of the Authority’s outreach, communications, social media, media relations, events, award applications and education programs
• Manages consultant services
Award Winning Team

• 2020 CAPIO Award- Award of Distinction-Hydro Station Experience
• 2019 AWWA Award-Public Communications Achievement Award-Securing Our Water Future
• 2019 CAPIO Award-EPIC Award- Securing Our Water Future- Communications/Outreach Campaign
• 2017 CAPIO Award-Most Improved Publication (Authority Annual Report)
Projects and Tasks

- Communications Materials
- Digital Engagement
- Media Relations
- Events & Speaking Engagements
- Education Programs
- Other
Print Publications

• Quarterly Customer Newsletters
• Fact sheets and Brochures
• Billing Inserts
Sweetwater Authority Website

• Managed and updated internally by SWA

• Website statistics

www.sweetwater.org
Social Media

• Inform, educate and engage with customers and stakeholders

• Posts about projects, programs, events, achievements, information, resources, job opportunities, etc.
Community Events

- Garden Events
  - (Spring and Fall Festivals)
- Lemon Festival
- Auto Heritage Festival
- Harborfest Festival
- Bonitafest
- Starlight Parade
- WaterSmart Landscape Workshop
- Sweetwater Authority Ambassadors
Partnerships and Strategic Outreach

- Education program evaluation
- Hydro Station
- Olivewood Gardens
- Mini-grants
- Garden assemblies

Photo by Alexis Trujillo, 2018 High School Photo Contest
Photo location: Olivewood Gardens
Special Projects for 2020/2021
Public Opinion Poll

- Survey of SWA customers
- Last poll conducted five-years ago
- RFP posted-project slated to begin in September 2020
Focus on Tap Water

• New water tanker for community events

• Increased safety messaging
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www.sweetwater.org
# Areas of Focus

## Top Tier

### I. Costs/Affordability
- Find ways to help out ratepayers struggling to pay water rates

### II. Safety
- Communicate Emergency Response Plan to ratepayers (Poway)
- Operations & maintenance; Deferred maintenance; ERP
- SR 8 - Adequate security
- AE 1 - Emergency preparedness
- Water safety (climate security) - provisions and measures in place to protect water during climate crisis

### III. Quality/Reliability
- WQ 6 - Ensure long-term sustainable health of Sweetwater Reservoir
- WQ 8 - Laboratory standards

## Second Tier

### IV. Reclaimed Water

### V. Pay for Performance

### VI. Contract Outsourcing
- Contract outsourcing studies
- Smart meters

## Additional Concerns

- Owner-controlled insurance program on all construction projects
- Customer Service, Citizen Engagement & Community Relations (CS) - incentive → rebates (water barrels, etc.)
- Value engineering program
- Continue to improve website with information to ratepayers
- Energy audit
- Find ways to continue lead testing program to all schools
- Equity provisions - equitable access to water - connect to UN General Resolution
- Technology improvement to help reduce costs to ratepayers
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OWNER CONTROLLED INSURANCE PROGRAM (OCIP) FOR SWA CONSTRUCTION PROJECTS

BACKGROUND: An owner controlled insurance program is an insurance policy held by a property owner during the construction or renovation of a property which is typically designed to cover virtually all liability and loss arising from a construction project. The traditional method of insuring construction consists of each general contractor (GC) and subcontractor obtaining their own insurance policies from any provider of their own choosing.

DISCUSSION: One of the largest expenditures for public agencies (ie. SWA) is the annual capital projects program. SWA engages in the traditional design-bid-build project execution process. A significant part of the bid proposal is the inclusion of the insurance costs for the General Contractor (GC). The OCIP has been legally approved by the State of CA since 1996. Agencies that have engaged in OCIP for their CIP have experienced significant cost reductions in CIP bid proposals. This is primarily due to the fact that OCIP has significantly reduced costs in bid proposals due to greatly improved safety issues which in turn result in lower bid proposals.

RECOMMENDATION: SWA staff should investigate the economical advantages of instituting an OCIP for major CIP projects for the next 10 years. The potential for cost savings for SWA ratepayers are substantial.
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RECLAIMED WATER OPPORTUNITIES FOR SWEETWATER AUTHORITY

BACKGROUND: Reclaimed water (also known as recycled water or CA Title 22 water) is a product of wastewater that is treated to tertiary level. Wastewater is typically treated to secondary level under Federal and State regulations before it is discharged to a local body of water. While meeting legal discharge requirements this effluent discharge does not have any beneficial reuses. Tertiary treatment includes the addition of activated carbon and sand filtration followed by a residual chlorine disinfectant before the water leaves the treatment plant for beneficial uses. These uses include essentially everything except direct potable reuse. The water is colorless, odorless, and essentially is indistinguishable from common potable drinking water. Reclaimed water may be used for irrigation for parks, golf courses, freeway landscaping, greenbelts, athletic fields, playgrounds, and many other similar purposes. It must be distributed however thru a separate distribution system commonly known as “purple pipe” to distinguish it from potable water distribution systems. Reclaimed water is not subject to annual cost increases for potable water delivered thru the Metropolitan Water District (MWD) or San Diego County Water Authority (CWA). Each gallon of reclaimed water beneficially reused saves a gallon of increasingly expensive imported potable water.

DISCUSSION: The nearest water reclamation plant to SWA is the South Bay Water Reclamation Plant (SBWRP). This facility is owned and operated by the City of San Diego. It is located on Dairy Mart Road near the International Border. The facility was opened in 2002 and is capable of producing 15 Million Gallons per Day (MGD) of reclaimed water. The largest customer is the Otay Water District (OWD) which has invested in a purple pipe distribution system. Unfortunately only an annual average of 50% of the plant capacity is actually utilized beneficially. The remainder of the secondary treated effluent is discharged thru the South Bay Ocean Outfall (SBOO). The capital cost of SBWRP and SBOO was $260 Mill. There remains an opportunity for SWA to begin discussions with OWD and City of San Diego to take advantage of this precious reclaimed water resource.

RECOMMENDATION: SWA Board of Directors has formed a committee to begin discussions with OWD and City of SD to determine a more practical use of this precious commodity. Unfortunately a recent presentation by a SWA consultant (Gillingham Engineers) has recommended that the issue of reclaimed water be dismissed as not cost effective for SWA. This is a very short sighted view. While the study has not yet been completed it is recommended that Gillingham be directed to give an in depth presentation to the Citizens Advisory Committee (CAC) to explain why they are not in favor of pursuing this historic opportunity.
VALUE ENGINEERING PROGRAM FOR SWA CAPITAL PROJECTS

BACKGROUND: Value Engineering (VE) is a commonly accepted technical process for obtaining the most effective life cycle analyses cost for public agency capital projects. The City of San Diego instituted a VE process in 1994 for its $2.0 Bill Clean Water Program. The independently audited results of the VE program delivered a rate of return (ROR) at 110:1.

DISCUSSION: Value Engineering involves hiring an independent consultant to review the design of a capital project in early stages. Typically a SWA capital project executes a Design-Bid-Build process. At the completion of the 30% design a VE team consisting of an independent VE consultant, SWA staff, and CIP design consultant meet to discuss all the issues associated with design, construction, and operation and maintenance of the CIP for the life of the project (50+ years). Not every CIP project should be subjected to the VE process. As an example a simple project (paving of a street) would not be a candidate for a VE review. The VE consultant should be hired on an “as needed” basis. VE work is very competitive and should be utilized with consultants who have a broad range of experience in the multiple issues related to design, construction, operation and maintenance, and regulatory compliance with local agencies.

RECOMMENDATION: SWA select a local VE firm to serve as “on call” value engineering asset for selected capital projects. The consultant contract should be awarded for a minimum of 5 years to ensure that the most competent firms participate in the competition.
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PAY FOR PERFORMANCE PROGRAM
FOR
SWEETWATER AUTHORITY EMPLOYEES

BACKGROUND: The term “pay for performance” refers to pay compensation programs that are made available to employees in both the public and private sectors. They have become increasingly popular in the past 20 years as a method of incentivizing employees to achieve organizational objectives. Unlike traditional “beneficial suggestion” programs, where a single employee makes a cost-saving suggestion, “pay for performance” programs are generally team-based. There are 2 basic premises: 1) Employees on the front lines of organizations are most cognizant in how to improve organizational objectives; 2) Employees work best in teams associated with a specific common objective.

DISCUSSION: The City of San Diego instituted a Pay for Performance Program in 1998 titled “Bid to Goal”. It included all non-managerial employees in the Metropolitan Wastewater Department and the Water Utilities Department, approximately 1,800 employees. At the time both departments were engaged in a $2.5 billion upgrade of the region’s water and wastewater infrastructure. Significant expenditures on capital projects, operation and maintenance, and employee salaries were causing concerns due to the commensurate rise in water and sewer utility rates. This affected not only the City of San Diego but the 15 participating agencies who were required to proportionately fund these utility rate increases. A total of 1.6 million rate payers were affected. The City decided, after discussions with the participating agencies, to develop a Pay for Performance Program based on the annual budgets of the respective departments. Input was also solicited from the respective employee organizations (union reps). The “Bid to Goal” program was based on the annual budget approved by the City Council. Once the budget was approved employee teams were assigned to execute their portion of the budget as a “goal”. At the end of the budget year an independent auditor (city staffer) reviewed the results of the budget year execution. If an employee team executed their portion of the budget under “goal” the employee team was awarded 50% of the savings shared equally. The other 50% was retained by the City and used as a basis of next year’s budget. The result was millions of $ saved and greatly reduced pressures on future rate increases. The savings were achieved by incentivized employees, working as a team, who delivered imaginative solutions that had never been contemplated in past years by management. Quality, regulatory compliance, and legal requirements were never compromised. Not every team was able to achieve cost reductions every year but the incentive was always there to “do better” for the rate payers. In every year however the cost savings achieved benefited all the Water/Wastewater Utility ratepayers.

RECOMMENDATION: Sweetwater Authority should institute a similar Pay for Performance Program for non-managerial employees. As SWA is much smaller than the City (approx 133 employees) the program can be made much simpler to develop and administer. Essentially the following could be the composition of the teams: Admin/Financial Team; Engineering Team; Water Quality Team; Operations and Maintenance Team. The end of year audit would be simply the SWA Financial Officer completing his budget reconciliation and attesting to cost execution by the 4 employee teams. The Program could initially be developed for 3 years and then a review by the Board to determine if the Program should be extended into the future depending on results achieved.