

CITY OF LOS ANGELES
IRP Steering Group Workshop No. 3
March 27, 2003

MEETING MINUTES

Attendees: See Attached

OPENING REMARKS

Attendees were welcomed and were provided with opening remarks on the Integrated Resources Plan (IRP). The Workshop Agenda was briefly reviewed. The Agenda items reviewed were as follows:

- Alternatives Analysis
 - Approach
 - Defining our objectives and sub-objectives
 - Weighting
- Financial Planning
- Current Events
- Wrap-up

WHAT DID WE COVER?

The following topics from Workshop No. 2 were briefly reviewed:

- Service Area
- Population Projections and Growth
- Potable Water Needs
- Wastewater Needs
- Recycled Water Needs
- Runoff Needs

WHAT DID WE HEAR?

A summary of the major comments presented by the Steering Group at Workshop No. 2 was reported as follows:

- Think “outside the box” in developing options for wastewater, recycled water, runoff and biosolids management
- Take a more regional view of wastewater, recycled water and runoff management
- Make sure that all impacted agencies are at the table during these discussions (City and regional agencies)
- Consider decentralized approaches that put more responsibilities into local hands
- Consider a variety of technical issues (paving impacts, septic tanks, gray water systems, multi-use facilities, air quality, population assumptions, etc.)

OUTREACH AND EDUCATION ACTIVITIES

A report was given about the first series of Advisory Group meetings that were held in February and March. The meetings were held at 6 different venues, and there were a total of 44 persons who attended the meetings. A summary of the major feedback advice received at the meetings was reported as follows:

- Maximize recycled water
- Use non-traditional technologies when practical
- Emphasize public awareness and education
- Get Neighborhood Councils involved

The next set of Advisory Group meetings will take place in April and May.

AGENDA ITEMS DISCUSSED AT WORKSHOP NO. 3

ALTERNATIVES ANALYSIS

An explanation was given about the two parallel paths in the overall planning process, the Project Objective Path (the “Why” path) and the Technical Path (the “How” path). Information from the Project Objective Path (Guiding Principles & Objectives Performance Measures) will be fed into the Technical Path (Service Function Alternatives) to select and evaluate the alternatives.

Alternatives Analysis Terms

The meaning of the following key words that will be used repeatedly in the IRP workshops were reviewed:

- ***Objectives***-The goals that define the essential purposes of the IRP in broad, overarching terms – Why?
- ***Alternatives***- The means of accomplishing the objectives (which include options from each service function) – How?
- ***Performance Measures***-The quantifiable indicators or indices of how well an alternative meets the objectives – How well?
- ***Guiding Principles***-The instructions or guidelines for building alternatives

Properties of Evaluation Criteria

The properties of the Evaluation Criteria was explained:

- ***Measurable***: to specify degree to which evaluation criteria can be achieved
- ***Non-Redundant***: to ensure no overlap between evaluation criteria
- ***Concise***: to reduce the number of objectives to allow decisions to be made
- ***Understandable***: to be easily explainable to public and policy-makers

Facility Siting Criteria Exercise

The attendees were asked to break into 5 smaller groups and develop answers to the following 2 questions:

- What should be the criteria used to select future facility sites?
- What do you think the facility(ies) should look like?

The results of the exercise are shown in Attachment A.

IRP Primary Objectives (from Phase I)

It was explained that the primary objectives from Phase I of the IRP will be used to rate the alternatives. The alternatives will be compared to how well they meet the primary objectives and sub-objectives, and the alternatives that perform the best will be selected for further investigation. The list of sub-objectives for each of the 6 primary objectives was also reviewed.

Primary Objectives from Phase I of the IRP

- Protect Health and Safety of Public
- Effectively Manage System Capacity
- Protect the Environment
- Enhance Cost Efficiency
- Protect Quality of Life
- Promote Education

Alternatives Analysis and Screening Steps

The 5 step alternative analysis and screening process was discussed. The 5 steps consist of:

1. Detailed Models/Analysis (Non-Integrated)
2. Integrated Analysis and Screening
3. Alternatives Fine-Tuning
4. Financial/Risk Analysis
5. Environmental Analysis

It was reported that each of the 4 Service Functions (Water, Stormwater Runoff, Wastewater Collection, and Wastewater Treatment) requires independent analysis, and there are several options for each that will meet the year 2020 needs for each respective service function. Systems analysis integrates the analysis of each service function where options from each of the 4 service functions will be grouped into one alternative. There will be several alternatives developed with this process, and each alternative will perform differently when compared to the primary objectives. The best performing alternatives will then be selected for the Financial/Risk Analysis and Environmental Analysis steps.

Weighting Objectives

The weighting objectives will be used with the performance preference to determine the overall score of each alternative. A weighting exercise was distributed to all Steering Group members, and it was requested that the exercise be completed and turned-in during the workshop or mailed/faxed to the City when completed. The results of the weighting exercise and a discussion of the performance preferences will be covered at the next workshop (Workshop No. 4).

FINANCIAL PLANNING

The Financial Plan summarizes the City's current and near-term projections for revenues and expenditures for the wastewater and stormwater programs and identifies potential revenue short-falls (gaps) in current and near-term projections.

Wastewater Fund

The Wastewater Fund funds capital and O&M expenses related to wastewater treatment plants, pumping plants and sewers, and the revenues currently come from the following sources:

- Sewer service fees and charges
- Grants
- Bonds and loans
- Interest

For 2002 the operating revenues were \$398 million and were comprised of the following sewer service fees and charges: (Please note that these figures were revised after the workshop and the revised 2002 operating revenues and break-down percentages are provided in the Feedback Report)

- Sewer Service Charges – 89%
- Industrial Waste Fees - 4.4%
- Interest Income- SCMF – 2.4%
- Sewer Facilities Charges – 1.3%
- Sewage Disposal Contracts – 1.3%
- Miscellaneous Fees – 0.7%

It was reported that the sewer service charges have not been increased over the last 10 years, since 1993, even though all of the cost/price indexes have gone up over the same time period. It was explained that the Bureau of Sanitation was able to keep the sewer service charges steady because of increased efficiency.

The actual and projected Capital Improvement Program Expenditures (1977-2007) and funding sources (1998-2007) were presented graphically, and the actual and projected estimated Single-Family Monthly Sewer Service Charge from 1987 to 2007 was presented graphically.

The summary for Wastewater Fund was that the revenue sources seem sufficient to meet current and near-term projections of expenditures (with assumed near-term rate increases). But beyond 2007, it might be necessary to look for other revenue sources, and rate structure equity may need to be examined in light of the IRP and future expenditures.

Stormwater Fund

The Stormwater Fund funds capital and O&M expenses related to stormwater management, flood control and watershed protection, and the revenues come from:

- Stormwater Pollution Abatement Charge
- General Fund
- Grants

- Interest
- Other

It was reported that the Stormwater Pollution Abatement Fund was established in 1990-1991 by the City Council by assessing a Pollution Abatement Charge on each property tax bill. The fee is determined by the amount of runoff from each property in the City and is based on \$23 per equivalent dwelling unit on each parcel. The proceeds from the fund have generated an average of \$28 million per year.

It was shown graphically that the projected expenditures for the Stormwater Fund far exceed the projected revenues starting in Fiscal Year 2003/04. The reason given was that they City will have to comply with new regulations which will significantly increase expenditures.

The summary for the Stormwater Fund was that existing revenue sources are not sufficient to meet near-term or long-term investments, and the stormwater pollution abatement charge needs voter approval to be increased. Therefore, new sources of funding, such as grants and interagency funding, will be essential.

Financial Plan – Funding Sources

Several funding sources for the IRP were presented along with their respective advantages and disadvantages. More detailed information was provided for state/local grants and federal grants available to fund IRP related projects.

CURRENT EVENTS IN THE NEWS

The topics brought-up in this segment are shown below; however, the responses are provided in the Feedback report.

- DWP should consider marketing (bottling) ultra-pure drinking water from the Los Angeles Aqueduct like San Francisco is doing with their source water.
- Maintain planned landscaping limits regarding the amount of paving of residential property.
- Concern about the City Council approving \$1.2 million, which will come out the wastewater fund, to retain an outside law firm to defend against a law suit filed by the EPA, State, environmental and neighborhood groups for violating sewer spills and order complaints

AGENDA FOR WORKSHOP NO. 4

The next workshop is scheduled for Thursday, May 22, 2003. Topics that will be presented are:

- Advisory Group Session 2 feedback
- Preliminary Alternatives (Part 1)
- Definition of Performance Preference

UPCOMING IRP OPPORTUNITIES

The following are information sharing opportunities:

- Advisory Group Session 2 meetings
- Neighborhood Councils
- Website

The list of remaining tour availability for the IRP Stakeholders was presented.

ATTACHMENTS

- Attachment A - Facility Siting Criteria Exercise results
- Attachment B - Feedback Report - All major questions and concerns voiced during the workshop are addressed in the Feedback Report.
- Attachment C – Steering Group Attendance list
- Attachment D – Staff Attendance list