

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) MEETING

Water Campus

2955 W. Calle Agua Nueva – Radon Conference Room

Thursday, January 25, 2018, 8:00 a.m.

Members Present: Bill Katzel, Rob Kulakofsky, John Lynch, Shaun McClusky, Corin Marron, Jean McLain, Matt Matthewson (via phone), Asia Philbin, Mark Taylor, Ann Marie Wolf

Members Absent: William Garner, Armando Membriola, Amber Smith

Others Present: Michelle Campagne (FRMD), Isai Centeno (FRMD), Jennifer C. Coyle (RWRD), Barbara Escobar (RWRD), Keith Dommer (FRMD), Jackson Jenkins (RWRD), Veronica Lopez (RWRD), Patrick McGee (FRMD), Julie McWilliams (RWRD), Jeff Prevatt (RWRD), Xavier Rendon (FRMD), Jaime Rivera (RWRD), Imelda Robles (RWRD), John Sherlock (RWRD), Tim Thomure (COT), Caroline Vargas (RWRD), Eric Wieduwilt (RWRD)

A. Call to Order / Roll Call

Corin Marron, Regional Wastewater Reclamation Advisory Committee (RWRAC), called the meeting to order at 8:02 a.m. Veronica Lopez, Program Coordinator, Regional Wastewater Reclamation Department (RWRD), took roll call and a quorum was present.

B. Pledge of Allegiance

C. Call to the Audience – There were no comments from the audience.

D. Safety Share

Jackson Jenkins, Director, RWRD, stated the department recently held Pillar Talk meetings in which staff have the opportunity to hear departmental updates, as well as ask him any questions regarding the department. At these last round of meetings, the importance of emergency preparedness was the Safety Share topic. Emergency preparedness bags were distributed to staff, and included: tips on how to prepare for an emergency, list of supplies to have on hand in the event of an emergency, and a portable cell phone charger. Mr. Jenkins distributed emergency preparedness bags to the committee.

E. Approval of Minutes

Meeting Minutes for December 14, 2017

ACTION: Bill Katzel made a motion to approve the meeting minutes of December 14, 2017. Ann Marie Wolf seconded the motion. Motion passed unanimously.

F. Discussion/Action

1. Director's Update

Mr. Jenkins informed the RWRAC that on December 12th the Board of Supervisors (BOS) continued their consideration of a 16% adjustment to the high strength factor for the Commercial Billing Class. Some BOS members requested more time to review this item and expressed interest in receiving additional information and that information has been provided. This item is scheduled to go before the BOS on February 6, 2018. John Lynch, Member, RWRAC, asked if RWRD staff has reached out to the BOS to inquire about any feedback they may have received regarding this item. Jennifer C. Coyle, Special Assistant to the Director, RWRD, stated no additional information has been received at this time.

With regards to the Tucson Water billing contract, Mr. Jenkins stated the Mayor and Council approved the contract at their meeting yesterday. This item is scheduled to go before the BOS on February 20, 2018. RWRD and Tucson Water agreed to a negotiated increase to the cost per customer, per month of \$1.30. This contract is for a five-year period. In addition, Tucson Water has expressed interest in purchasing the 12,000 acre feet of water credits that RWRD has accrued.

Mr. Jenkins gave updates on the three large RFQ projects. A panel of seven members will review the four RFQ submittals for the Tres Rios Nutrient Recovery Project (Struvite) and negotiations will then take place. Second, the department is planning on advertising an RFQ for the Tres Rios Biogas Cleaning and Utilization within the next few days and will keep the committee updated on the progress. The third project is the Twin Peaks project and the RFQ should be advertised next month.

Mr. Jenkins stated the International Boundary and Water Commission (IBWC) is accepting applications for anyone interested in serving on their advisory committee. The committee meets quarterly and it would be a two-year term. Mr. Jenkins stated this committee discusses many international boundary items, as well as various water issues such as flooding and storm water topics. Mr. Jenkins encouraged anyone that is interested to submit an application to IBWC.

Mr. Jenkins stated John Sherlock, Deputy Director, RWRD, is retiring in March and the recruitment to fill his position at the Treatment Division is underway.

At the BOS meeting scheduled for February 6, 2018, RWRD, along with other County departments and external organizations, are being recognized and will receive a NACWA environmental award for the Living River study.

2. Raftelis Rate Structure Study

a. Status of the Proposed Increase to the Commercial Billing Class Strength Code

Mr. Jenkins addressed this topic during his Director's Update.

b. Modifications to the Rate Structure Study and other Billing Alternatives as Outlined in the Study.

Mr. Jenkins stated the 16% adjustment would take pressure off revenue needs and would allow more focus on three topics, which are: 1) eliminate the Winter Quarter Average for commercial/industrial, 2) reduce to one class or consolidate the classes to something much lower for high strength users, and 3) go to a fixed residential fee. Mr. Jenkins stated he would like to discuss this matter further with the committee and get their feedback. Staff will prepare a PowerPoint to present to the committee at a future meeting. Discussion ensued.

Ann Marie Wolf, Member, RWRAC, asked if the committee will receive the memorandums the department sent to the County Administrator regarding the proposed adjustment to the strength factor for the Commercial Billing Class. Mr. Jenkins stated he will have staff send the memorandums.

3. Conveyance Update

Jaime Rivera, Deputy Director, RWRD, gave a PowerPoint presentation. Mr. Rivera presented an organizational chart for the Division. Mr. Rivera stated adjustments have been made to the Division structure. The Odor Control, Flow Monitoring, and the Pump Systems groups have all been consolidated under the Civil Engineering Manager, Ben Fyock. This has improved efficiencies within the maintenance, repair, and operational personnel. In 2017, the Safety Division performed 198 permit required confined space entries. During February 28 – December 20, 2017, the Conveyance Division went a total of 187,000 man-hours without a recordable injury.

Mr. Rivera discussed the CCTV Program and stated the first ten year CCTV cycle was completed in December 2016 and the second cycle of CCTV began in 2017 and is expected to conclude in 2027. Mr. Rivera answered various questions from the committee. Mr. Rivera went over the Gravity Section's assets,

equipment, and personnel. The Gravity Section programs consist of: Preventative Maintenance, Area Rod, the Vector Program, and SSO Response.

The RWRD Capital Improvement Program's (CIP) approved FY 2016/17 budget was \$46.7 million and \$46.3 million was spent. The CIP budget is broken down into rehabilitation, treatment, and augmentation. The CIP approved budget for FY 2017/18 is \$49.2 million.

With regards to odor control, there are 32 active odor control facilities county-wide. There is a new bio-filter near the Caterpillar Headquarters and two new bio-filters as part of the Southeast Interceptor Augmentation Project. Mr. Rivera stated since 2010, the number of odor complaints have decreased an average of 7% each year. Between July 2017 and December 2017, 143 odor complaints were received and 58% were public complaints.

Mr. Rivera stated the Pump Station Section is currently working on establishing a more in-depth process for tracking and documenting flow management structures. This will improve the accuracy of the asset management system, mapping, and the flow model. There are 25 active pump stations and new pump stations at Rancho Vistoso are currently being designed. Mr. Rivera stated the Tangerine Pump Station will go to Gravity within the next two years, with the completion of the Twin Peaks Augmentation Project. Mr. Rivera displayed a map showing the 26 flow monitoring sites. New sites have been installed as part of construction projects.

4. Financial Subcommittee Update

Mr. Lynch provided a brief overview of the last Financial Subcommittee meeting, which was held on January 19, 2018. Mr. Lynch stated in addition to receiving an update on the proposed 16% adjustment to the strength factor for the Commercial Billing Class, the subcommittee also received an update on the 2018 Financial Plan and future potential rate increases. Mr. Lynch explained the concept of using excess cash to advance refunds through insubstance defeasance, which was presented to the subcommittee by Keith Dommer, Director, Finance and Risk Management Department (FRMD).

Mr. Dommer stated the committee previously approved a debt service ratio of 1.20 and three months of unrestricted operating expenses and any cash above that, ways would be found to pay down debt. Mr. Dommer went over the current financial workbook and discussed ways to pay down debt, as well as financial projections for FY 2017 through 2024. The committee asked various questions. Mr. Dommer stated the 2018 Financial Plan report will be released in June 2018. Matt Matthewson, Member, RWRAC, commended Mr. Dommer and his staff for the work they have completed with regards to the trusts and future payouts moving forward. Mr. Matthewson asked what the six month cash requirement total is for this year, to cover operating and maintenance expenses. Mr. Dommer stated it is approximately \$40 million.

5. Capital Improvement Program Subcommittee Update

Mr. Matthewson stated the CIP Subcommittee's next meeting is scheduled for June 2018 and he will keep the committee informed of the meeting date once a date and time is scheduled.

6. Fiscal Year 2017/2018 Expense & Revenue Update

Patrick McGee, Division Manager, FRMD, provided the Expense and Revenue update for Period 6. Mr. McGee stated operation expenses is approximately \$515,000 under budget. Revenues are forecasted at \$178 million, which is \$1.3 million over budget. Mr. McGee stated there has been an increase in sewer user fees due to new development, as well as the approximate 600 new customers from the Sewer Amnesty Program.

7. Citizens' Water Advisory Committee (CWAC) Update

Jean McLain, Member, RWRAC, stated at CWAC's last meeting, they discussed a stormwater mandate that went before the Mayor and Council on December 23, 2017. Dr. McLain stated she will receive an update on the outcome of the mandate at next week's CWAC meeting and will inform this committee at the next meeting.

G. Future Agenda Items

- Continued Discussion on the Rate Structure Study and Other Billing Alternatives
- Dispose-A-Med Presentation

Call to the Audience – There were no comments from the audience.

H. Adjournment

ACTION: Bill Katzel made a motion to adjourn the meeting. Ann Marie Wolf seconded the motion. The meeting was adjourned at 9:41 a.m.