



# PIMA COUNTY

## WASTEWATER RECLAMATION

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) MEETING  
Water and Energy Sustainability Center  
2955 W. Calle Agua Nueva – Radon Conference Room

### MEETING MINUTES

Thursday, October 15, 2015

#### COMMITTEE MEMBERS PRESENT:

Sheila Bowen	Barbee Hanson	Bob Iannarino	Bill Katzel
Rob Kulakofsky	John Lynch	Matt Matthewson	Armando Membrila
Amber Smith	Mark Stratton	Mark Taylor	Ann Marie Wolf

#### COMMITTEE MEMBERS ABSENT:

PAG Member (Vacant)

#### OTHERS PRESENT:

Adam Bliven (RWRD)	Kathy Chavez (RWRD)	Jennifer C. Coyle (RWRD)	Keith Dommer (FRMD)
Jackson Jenkins (RWRD)	Carol Johnson (RWRD)	Patrick McGee (FRMD)	Brian O'Neill (RWRD)
Asia Philbin (Town of Marana)	Louis Romero (RWRD)	John Sherlock (RWRD)	Lorraine Simon (RWRD)
Jennifer Tate (RWRD)	Lilian von Rago (RWRD)	John Warner (RWRD)	Richard Wascher (RWRD)
Jody Watkins (RWRD)	Eric Wieduwilt (RWRD)		

- A. CALL TO ORDER / ROLL CALL.** Mark Taylor (Chair), called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 8:00 a.m. Jody Watkins took the roll call and a quorum was present.
- B. PLEDGE OF ALLEGIANCE.**
- C. CALL TO THE AUDIENCE.** Sheila Bowen provided kudos to RWRD for their support and quick response to a pipeline blockage that occurred in the Town of Sahuarita.

**D. SAFETY SHARE.** Mark Stratton reminded everyone that there are more bicyclists on the road now training for the upcoming El Tour de Tucson. It is important to be cautious when driving, especially during the early morning and late evening hours.

**E. APPROVAL OF MINUTES.**

Meeting Minutes of the Regular Meeting, August 20, 2015.

**ACTION:** Mark Taylor made a motion to approve the minutes of the Regular Meeting of August 20, 2015. Ann Marie Wolf seconded the motion. Motion passed unanimously.

Mark Taylor added a request to add Others Present in addition to the RWRAC Members present to the meeting minutes.

**F. COMMITTEE/SUBCOMMITTEE REPORTS**

**1. CITIZENS' WATER ADVISORY COMMITTEE (CWAC) UPDATE.** Mark Taylor reported on the past CWAC meeting held on October 7, 2015, the CWAC discussed the Financial Committee. Albert Elias, is serving as Acting Director. The Alternative Infrastructure Assessment for the Valley Pipeline was discussed. At the September 2, 2015 meeting, City Manager, Mike Ortega, spoke on fixed versus variable costs, political versus operational aspects of rate structure, and regional and legislative relationships. Mr. Ortega encouraged conservation and communication with the City Manager's Office. Water usage was reported at a 7.1% reduction, and a 15% reclaimed water usage reduction.

**2. RWRAC FINANCIAL SUB-COMMITTEE UPDATE.**

**a. Meeting Report.** Mark Taylor provided an update of the last meeting held September 16, 2015. The goal is for more interaction with the Committee and to have everyone better informed. The focus is on getting everyone involved, understand the financial issues, and be part of the rate making process. Discussion of having the RWRAC Financial Sub-Committee be added as an agenda item to the RWRAC Meetings. There is a need to make some changes and have a systematic way of developing rates. This will make it easier when it comes time to present information and requests to the Board of Supervisors (BOS). This process will also help the Committee to better understand all financial components—revenue, bonds, Capital Improvement Program (CIP), Operations and Maintenance (O&M), and apply consistency each year. The RWRAC will also better understand these issues when voting on them. It was recommended that the Finance and Risk Management Department represent and support the Regional Wastewater Reclamation Department (RWRD) Director, when he goes before the BOS to ask for a rate increase.

Mr. Jenkins advised the committee that the department had discussions with the County Administrator's Office regarding the rate increases. Since the department did not receive a rate increase for this FY 2015/16, a larger rate increase may be needed for next Fiscal (FY) 2016/17. The department is down \$10 million more in revenue than what was budgeted. The department is looking at contingencies and scenarios on how to cut the budget. The plan is to return back to the BOS again in January 2016 with another request for a rate increase. Currently, the department is in the process of preparing budgets for next FY 2016/17.

Mr. Taylor stated that the RWRAC Financial Sub-Committee should keep the members up-to-speed and unite to support the department. It is important that the Committee focus on finances this year. A suggestion was made that more members of the Committee attend the BOS meeting to represent and support the department. Copies of the last meeting minutes reflected developing a structure and schedule of where the committee is going. Highlights of the meeting included a recap of expenses at \$654,000 below budget. Revenues are down \$1.75 million, due to a reduction in water usage and sewer revenues. The bond rating is expected to decrease to 1.27%, below the suggested 1.30% recommended debt-service ratio. The next meeting will include a discussion of revenues. There was

some discussion on the County cost allocations and whether those costs are allocated among all County departments equitably. The focus of the committee is to represent the sewer rate payers of Pima County.

Keith Dommer, Director Finance and Risk Management Department (FRMD) explained that the costs are based on actual usage of service and the Regional Wastewater Reclamation Department is not being singled out.

**ACTION:** Mark Stratton made a motion to have the RWRAC meet monthly during the budget-making process critical time.

Rob Kulakofsky seconded the motion. Motion passed unanimously.

Mr. Taylor stated that any RWRAC member should have the ability to attend the RWRAC Financial Sub-Committee meetings. He requested that a quorum notice be posted to allow every RWRAC member to attend.

- b. Formation and Nominations of New Sub-Committee – Capital Improvement Program.** Mr. Stratton stated that this committee is a dynamic instrument to work with the Capital Improvement Program (CIP) and report this information to the RWRAC. The objective is to get more people involved to work with the CIP, understand it better, and bring information back to the Financial Sub-Committee.

**ACTION:** Mark Stratton made a motion to form the new Capital Improvement Program five-member Sub-Committee. Sheila Bowen seconded the motion. Motion passed unanimously.

Mr. Taylor requested a show of hands who would be interested in serving on this committee. Sheila Bowen, Bob Iannarino, John Lynch, Matt Matthewson, and Amber Smith, Mark Taylor, and Ann Marie Wolf. There was a discussion if the chairman can appoint members once a committee is formed.

Mr. Lynch suggested to have at least one member of the Financial Sub-Committee serve on the New CIP Sub-Committee.

## G. DISCUSSION/ACTION.

### 1. DIRECTOR'S UPDATE

- a. OPERATIONAL UPDATE.** Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD), provided an update on the Continental Ranch Pump Station. It was reported at the prior meeting that the main pump was broken. The good news is that the pump has been repaired. However, the Continental Ranch Pump Station has been in need of repairs, and is now part of our Capital Budget for a rebuild.

Conveyance System Rehabilitation. Mr. Jenkins advised the Committee that several conveyance system rehabilitation projects are currently in process for the FY15/16 CIP Budget.

- North Rillito Interceptor Rehabilitation
- South Rillito West Central Interceptor Rehabilitation
- North Rillito Interceptor Relief Sewer
- Southeast Interceptor Augmentation
- AeroSpace Corridor Augmentation
- 22nd Street Alvernon Way to Swan Road Augmentation

Mr. Jenkins advised the group that in 2007, the Board of Supervisors approved an ordinance that allowed RWRD to repair house connection sewers (HCS) that goes from the residence to the public

sewer system, if the part that is damaged connects to the public right-of-way. From 2007 – present, the department has spent almost \$200,000 a year to make these repairs. It would cost a homeowner an average of \$4,000 to make these repairs. A recent news item was in the Town of Marana, a pipe was not connected, leaving a two-foot gap to a resident's home. The department is committed to protecting the public health and safety and will cover these costs. However, RWRD will have to look at how to recoup some of these costs. Pima County only owns the public sewer. The resident owns the HCS from the resident line to where it connects with the public sewer.

In other business, Mr. Jenkins reported that the department has 466 budgeted positions and 46 vacancies. The 10% vacancy rate is high.

- b. **MOUNT LEMMON WASTEWATER TREATMENT PLANT STUDY.** Mr. Jenkins reported on the current study of the Mount Lemmon Treatment Plant facility. There are approximately 30 connections to the sewer system in Mount Lemmon. The department's annual Operations and Maintenance (O&M) budget is \$300,000 to service this area. The calculated cost to service the Mount Lemmon area is approximately \$10,000 per sewer connection. This facility has been in place since the 1980s and has never been shut down. The plant will need to be temporarily shut down to conduct a thorough evaluation on how it is operating. There was much discussion on the options the department has as a result of this study.

The department looked at an option to vault and haul the sewage down the mountain. It is more expensive to vault and haul the sewage, than it is to keep the plant in operation. It would cost \$3 million to rehabilitate the facility. In addition, there would be a separate cost of \$500,000 to install Supervisory Control and Data Acquisition (SCADA) technology to the plant. Another option would be to use an adjacent property to rebuild a new plant. Either option creates a new increased cost to the department's capital needs. The present capital budget for the department does not include the costs for the Mount Lemmon facility.

An alternative option is to have the 30 hookups, that are connected to the sewer system, go on septic. This option however, would be very political. The department is also considering having the individual homeowner absorb the costs to vault and haul their sewage. The wastewater flows are low in Mount Lemmon. The average flow is 2,300 gallons (low) to 5,000 gallons (high) fluctuation.

Mr. Jenkins stated that there is an ordinance in place that would allow the department to impose a separate conservation fee for sewer users who live in a specific geographic area.

Mr. Jenkins informed the Committee that no decisions have been made at this time. The study is still taking place. When the study is complete, the department will present the findings to the County Administrator, the Committee, and the Board of Supervisors.

Mr. Taylor asked if this item could be placed on the agenda next month with a presentation; and if there was a link available to the report.

- c. **CAPITAL IMPROVEMENT PROGRAM 2015/16 STATUS UPDATE.** Mr. Jenkins provided information on the current five-year Capital Improvement Program. A question was raised regarding juggling competing projects, those in process, planned and unplanned, and new projects coming on board. The Draft Proposed FY 15/16 CIP budget reflects Treatment, Conveyance, Augmentation, Utility Coordination, and ROMP projects. Approximately \$47 million is the projected RWRD CIP Budget Request for FY 2015/16.

- d. **CAPITAL IMPROVEMENT PROGRAM 2016/17 PROJECTIONS.** Mr. Jenkins stated that the final

RWRD CIP Budget for FY 2014/15 was \$54 million, the projected for FY 2015/16 is \$47.5 million, and for FY 2016/17 is \$46 million. The department is working on the next five-year update. Capital projects that were highlighted included: Aerospace Corridor Augmentation \$45 million, and the Pima County Fairgrounds Pump Station \$5 million. It will be an important discussion for the new CIP Sub-Committee and the department to review these projects. The new CIP Sub-Committee will bring information from these discussions back to the RWRAC.

- e. **WATER USE PROJECTIONS.** Mr. Jenkins provided information regarding water-use projections that was previously presented to the Board of Supervisors when the department requested a rate increase. The Montgomery & Associates Study was referenced to report the Winter Quarter Average sewer user volume is dropping at 2% each year. The sewer user bill is (one-third) \$12.63 fixed costs and is (two-thirds) approximately \$26 variable costs. User fees are 95% of the department's revenue stream.

## 2. FINANCIAL UPDATE

- a. **RWRD FISCAL YEAR 2015/16 BUDGET.** Patrick McGee, Division Manager, Finance and Risk Management Department (FRMD), presented the Forecast Report for Fiscal Year (FY) 2015/16 budget, through September 30, 2015. Department expenses are \$643,000 under budget, due to staff vacancies. Revenues are down \$10.5 million. The \$10.5 million decrease is due to approximately \$4 million from no rate increase, and \$6 million from reduced flow volumes.

- 3. **ENGINEERING STANDARDS UPDATE** – Carol Johnson, RWRD Sanitary Engineering Manager, provided a PowerPoint presentation on the *RWRD Engineering Standards Update*. Highlights of the presentation included information from the Design Standards, Specifications and Details webpage; Standards Committee Members; Accomplishments of the Committee; and the Engineering Standards Meeting Schedule.

- 4. **LOCAL DROUGHT IMPACT GROUP UPDATE** – Kathy Chavez, RWRD Water Policy Manager, provided a PowerPoint presentation on the *Pima County Local Drought Impact Group (LDIG)*. Highlights of the presentation included: Definition of Drought; Drought and Climate Change; Drought Response and Preparedness; Short-Term and Long-Term Drought Status; Drought Stages; LDIG Meeting Group; Water Wasting Provisions; and Drought Stakeholders.

- 5. **SEMI-ANNUAL ODOR CONTROL PROGRAM UPDATE.** John Warner, RWRD Deputy Director Conveyance Division, provided a PowerPoint presentation on the *System-Wide Odor Control Update*. Highlights of the presentation included: January-June Odor Complaints for 2010 – 2015; Public and Private Odor Complaints; Attributed Causes of Odor Complaints; Map of Odor Complaints by BOS District; and Conveyance Odor Control Improvements.

- H. **FUTURE AGENDA ITEMS:** Ordinance 13-24 revision (present at December meeting); Mount Lemmon Wastewater Treatment Plant Study Update; RWRAC Financial Sub-Committee; and the RWRAC Financial Capital Improvement Program Sub-Committee.

Mr. Taylor informed the Committee that the next meeting will take place on November 19 and revert back to two hours. There was some discussion on what date to hold the December meeting. Jody Watkins to send a Doodle Poll to the Committee members to determine the best meeting date.

- I. **CALL TO THE AUDIENCE:** There were no comments from the audience.

**ACTION:** Ann Marie Wolf made a motion to adjourn the meeting. Bob Iannarino seconded the motion. Motion passed unanimously.

- J. **ADJOURNMENT.** The meeting adjourned at 10:47 a.m.

### NEXT REGULAR MEETING DATE:

November 19, 2015