



## REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

Transamerica Building  
Pima Association of Governments'  
177 N. Church Avenue, 5<sup>th</sup> Floor Conference Room

### MEETING MINUTES

Thursday, November 21, 2013

#### **Committee Members Present:**

Ann Marie Wolf	Bill Katzel	Amber Smith	Jeff Biggs
Sheila Bowen	Kendall Kroesen	Mark Stratton	
John Carlson	Rob Kulakofsky	Mark Taylor	
Bob Iannarino	John Lynch	Jackson Jenkins	

#### **Committee Members Absent:**

Barbee Hanson  
Armando Membrila

**A. CALL TO ORDER.** Ann Marie Wolf, Chair, called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:46 a.m. Veronica Lopez took the 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.** Mark Stratton reminded everyone that the El Tour de Tucson is this Saturday and to be cautious of all bicyclists while driving around town and plan your routes accordingly.

**E. APPROVAL OF MINUTES.**

1. Meeting Minutes of September 19, 2013

**ACTION:** Mark Stratton made a motion to approve the minutes of the August 15, 2013 meeting. Sheila Bowen seconded the motion. Motion passed unanimously.

**F. COMMITTEE/SUBCOMMITTEE REPORTS.**

1. **CITIZENS' WATER ADVISORY COMMITTEE (CWAC) UPDATE.** Mark Taylor stated the CWAC held a meeting on November 6<sup>th</sup> and the CWAC's main focus has been on the budget. The CWAC received an update on the Capital Improvement Project (CIP) program. The next couple of meetings will be spent discussing the financial plan and necessary approvals. Mr. Taylor the CWAC will also be electing officers for the upcoming year. Jeff Biggs added Tucson Water is embarking on a 2-year "branding" campaign on the first of the year. The focus will be on water reliability of the system and how to keep the system updated. Mr. Biggs stated they will be doing a lot of public outreach.

2. **RWRAC FINANCIAL SUB-COMMITTEE UPDATE.** John Lynch, Vice-Chair, stated the Financial Sub-Committee's November meeting was a continuation of the October meeting, with continued discussion of the CIP budget and projects and how these are prioritized. Mr. Lynch applauded John Warner, Deputy Director, RWRD, and his staff for the information that was presented to the Sub-

Committee. The Sub-Committee felt that it was important to look at the 5 and 10 year capital programs and gain an understanding of how they are internally developed within the department and how they are prioritized. Mr. Lynch noted at this month's meeting, the Sub-Committee transitioned into a discussion with Finance staff on the debt service process and Certificates of Participation (COPs). Mr. Lynch stated that the meeting in December will be a continuation of discussion on the debt service process, as well as review of the expense projections, and the introduction to the FY 2014/15 Financial Plan. Ms. Wolf asked if the Sub-Committee anticipates making a recommendation to approve the CIP program. Mr. Lynch and Mr. Stratton both stated yes. The Sub-Committee members requested that the December Financial Sub-Committee meeting be rescheduled due to scheduling conflicts. Discussion ensued regarding CIP programs.

Ms. Wolf stated that the agenda items will be taken out of order and begin with the FY 2013/14 Budget update.

## **G. DISCUSSION/ACTION.**

1. **FY 2013/14 BUDGET UPDATE.** Tom Burke, Director, Finance and Risk Management Department (FRMD), distributed the Enterprise Fund Statement of Assets spreadsheet and the 2013 Enterprise Fund for FY ended June 30, 2013. Mr. Burke gave an overview of what information is provided on each of these handouts. Mr. Burke first discussed and provided explanation on the Statement of Assets spreadsheet. Mr. Burke stated he will be happy to discuss further at next month's meeting and will answer any general questions the Committee may have after they have an opportunity to review the data he provided in more detail. Mr. Burke answered various questions from the Committee.

Patrick McGee, Division Manager, FRMD, discussed the Period 4 – Expense and Revenue Comparison charts. Mr. McGee stated that for the first quarter for the current year, actual operation and maintenance expenses are coming in at \$16.8 million. The sewer revenue fees are coming in at \$40 million and forecasted at approximately \$160.4 million. The connection fees are coming in at \$4 million for the first quarter, but is projected to be \$11.6 million. The overall revenues are now projected to be \$178 million, which is \$4 million under budget for the year. Discussion ensued regarding the projected revenues.

2. **DIRECTOR'S UPDATE.** Jackson Jenkins, Director, RWRD, provided an update on the Regional Optimization Master Plan (ROMP) project. Both Agua Nueva and Tres Rios facilities are close to completion.

With regards to the biogas Request for Proposals (RFP), the department received five responses and the selection committee reviewed the packages received. The selection committee then held interviews and are now in the process of finalizing the scores. The Department will then go to the Board of Supervisors (BOS) to request approval to negotiate. Mr. Jenkins stated the Department will keep the Committee updated on the status of this process.

Mr. Jenkins stated the Department is preparing to advertise for an enhanced design build for a struvite process. Mr. Jenkins explained the struvite process and that the department would like to harvest it in a controlled environment and generate revenue from it. Mr. Jenkins stated a presentation can be made on this matter at a future meeting if the Committee determines they would like more information.

Mr. Jenkins stated that RWRD and the Town of Marana agreed that RWRD will provide services to a shopping mall in Avra Valley and I-10 even though this location is in the Marana DMA. It makes more technical sense for this construction to flow to the Tres Rios Wastewater Reclamation Facility than to the Marana Wastewater Reclamation Facility (WRF).

The department has been reviewing anomalies within the billing section and a point of concern has been with residents that have their own wells. Staff discovered an area of town that has many wells and those residents have only been paying the sewer administrative fee and not the volume fees. Mr. Jenkins stated that the department is going to pursue collecting back fees from those residents that owe volume fees. Discussion ensued regarding this matter.

Mr. Jenkins announced that Lorenzo Hernandez has been hired to fill the vacancy left by Kristin Greene, Development Liason, and will begin on December 2<sup>nd</sup>.

Mr. Jenkins stated that he will be meeting with Mr. Burke to discuss the 1.2% debt service ratio and discuss what needs to be done to keep the ratio above 1.2%. Mr. Jenkins continued to discuss the ROMP budget and other related budget issues.

Mr. Jenkins stated the BOS received a letter from a constituent regarding the odor from the Roger Road facility. The constituent stated that RWRD was non-responsive to their complaint. Mr. Jenkins stated that the department takes odor very seriously and have made great improvements with controlling the odor and will continue to focus on improving odor control. Mr. Jenkins stated that staff will be responding to this constituent to discuss this matter further.

Mr. Taylor stated that he appreciated the tour that was given to the Committee last month of the new Agua Nueva Water Reclamation Facility. Mr. Taylor asked if the filtration process at the end of the tour would bring the quality up to an A+ quality standard. Mr. Taylor asked if this would help Tucson Water produce a better product. Mr. Jenkins stated that the service contract with CH2M Hill for operation of Agua Nueva states A+ quality. RWRD is permitted for B+ and the criteria between RWRD and Tucson Water is B+ quality. RWRD has been in discussions with Tucson Water about these water quality issues.

- 3. FY 2013/14 CAPITAL IMPROVEMENT PROGRAM STATUS.** John Warner, Deputy Director, RWRD, presented a PowerPoint presentation on the status of the Capital Improvement Program (CIP) and showed active CIP projects this past year.

Mr. Warner displayed a chart showing the performance of the three JOC contractors and the status of the projects and money expended for each from January 2013 to June 2014. They have all performed 70-72% of work which was assigned to them. Mr. Warner stated that 423 repairs have been completed, there are 216 repairs encumbered or pending and over \$3.8 million of projects have been bid on. Mr. Warner provided a list of the major rehabilitation projects and briefly discussed each one. The first consolidated public meeting on these projects was held on October 22<sup>nd</sup>. Mr. Warner also showed various maps of the major rehabilitation projects.

Mr. Warner introduced Jaime Rivera, Project Manager, RWRD, and stated that Mr. Rivera is responsible for overseeing the CIP and Rehabilitation staff. Mr. Warner answered various questions from the Committee.

- 4. FUTURE RWRAC MEETING LOCATION.** The Committee currently holds their monthly meetings in the Pima Association of Governments' (PAG) conference room at the Transamerica Building. PAG will be relocating to another office building downtown and the Committee discussed whether to continue to utilize PAG's conference room at the new location or to move the monthly meetings to the Water and Energy Sustainability (WES) Center, which is a RWRD facility. Discussion ensued and the Committee agreed beginning January 2014, the Committee will hold their meetings at the WES Center and will also begin each meeting at 8:00 a.m. instead of 7:45 a.m.

**H. FUTURE AGENDA ITEMS.** Bill Katzel suggested having a future agenda item to discuss rates. Mr. McGee stated that would be best to discuss after the budget has been set for next fiscal year, perhaps after January. The Committee requested a presentation be done on struvite. Mr. Jenkins stated he can present on that topic at any time. Mr. Taylor asked for presentations regarding A+ quality water and potable water. Mr. Katzel asked that the items previously discussed at the last meeting be considered for a future agenda. Bob Iannarino suggested a future item be on the Sweetwater complex. Sheila Bowen requested to discuss the matter of RWRD pursuing the collection of back fees at a future meeting. John Carlson stated he would like to discuss matters related to community outreach.

**I. CALL TO THE AUDIENCE.** Lorraine Simon, Community Relations, RWRD, reminded everyone about the 9<sup>th</sup> Annual Grease Collection event taking place the day after Thanksgiving. Ms. Simon provided details regarding this event and distributed flyers. Lillian Van Rago, Community Relations, RWRD, stated in follow-up to Mr. Warner's presentation regarding the North and South Rillito Interceptors, there is a website: [sewerimprovements.info](http://sewerimprovements.info) that is up and running and it contains information for the public to view. Richard Wascher, Community Relations, RWRD, added that the website will provide updates on each of the projects and areas that are affected by the projects.

**ACTION:** Rob Kulakofsky made a motion to adjourn the meeting. Sheila Bowen seconded the motion. Motion passed unanimously.

**J. ADJOURNMENT.** The meeting was adjourned at 9:26 a.m.