



REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

Water & Energy Sustainability Center
2955 W. Calle Agua Nueva
Radon Conference Room

MEETING MINUTES

Thursday, February 20, 2014

Committee Members Present:

Ann Marie Wolf	Kendall Kroesen	Jackson Jenkins
Sheila Bowen	Rob Kulakofsky	
Barbee Hanson	Armando Membriila	
Bob Iannarino	Mark Taylor	

Committee Members Absent:

Bill Katzel	Amber Smith	Alan Forrest
John Lynch	Mark Stratton	

A. CALL TO ORDER. Ann Marie Wolf, Chair, called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 8:05 a.m. Veronica Lopez took the roll call and a quorum was present.

B. PLEDGE OF ALLEGIANCE.

C. CALL TO THE AUDIENCE. Ms. Wolf spoke regarding long-time RWRAC member, John Carlson, who recently passed away and asked for a moment of silence in remembrance of Mr. Carlson. Ms. Wolf, committee members and staff shared some of their fondest memories of Mr. Carlson.

D. SAFETY SHARE. Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD) reminded everyone to be cautious of pedestrians and traffic when driving in area of rodeo parade and rodeo.

E. APPROVAL OF MINUTES.

1. Meeting Minutes of January 16, 2014

ACTION: Rob Kulakofsky made a motion to approve the minutes of the January 16, 2014 meeting. Barbee Hanson seconded the motion. Motion passed unanimously.

F. COMMITTEE/SUBCOMMITTEE REPORTS.

1. **CITIZENS' WATER ADVISORY COMMITTEE (CWAC) UPDATE.** Mark Taylor stated the CWAC held their last meeting on February 5th and focused their discussion on three main items. One being the Tucson Water Financial Plan, which was presented to the City's Mayor and Council on February 19th. CWAC will be reviewing water rates over the next month or two relating to the plan.

Next, Mr. Taylor stated that Jeff Biggs gave an update on the Advanced Oxidation Process Facility, which went into operation approximately a month ago. The last main item discussed was the Tucson Water Security Series, which is being presented as a three-part series.

2. **RWRAC FINANCIAL SUB-COMMITTEE UPDATE.** It was decided to move the Financial Sub-Committee update before Item G.4. – Draft FY 2014/15 Financial Plan Review.

G. DISCUSSION/ACTION.

1. **DIRECTOR'S UPDATE.** Mr. Jenkins stated the Department is in the process of revising the ordinance that governs Department charges. Mr. Jenkins stated the ordinance change is being conducted in two phases and provided explanation on what these two phases consist of. Ms. Wolf added that she has attended leadership meetings on this issue and noted that the RWRAC will be involved in this process. A public hearing will be scheduled at some point and the RWRAC will provide their recommendation to the Board of Supervisors (BOS).

Mr. Jenkins stated that the Regional Optimization Master Plan (ROMP) project has reached substantial completion. A formal ribbon cutting ceremony will be held at the Water and Energy Sustainability Center in April and the RWRAC will be invited to attend (April 9th). Two other ceremonies will be held for RWRD staff at the Tres Rio Water Reclamation Facility (WRF) and the Conveyance Field Office. Mr. Jenkins added that a report was submitted to C.H. Huckelberry, County Administrator, which summarizes the overall ROMP project. Mr. Jenkins stated he will have staff forward the report to the RWRAC, as well.

Mr. Jenkins stated the billing for RWRD's user fees is handled by all major water providers and RWRD is currently paying over \$2 million for this service. Tucson Water, which handles a major portion of RWRD's overall customers, may be raising their rates for this service. The County is evaluating whether the Finance Department should assume the responsibility of the user billing function for RWRD. Mr. Jenkins stated that internal audits have been done and staff has found approximately 4,000 accounts that have been receiving service, but were not paying a bill. The department is now sending bills to these customers for services provided.

Mr. Jenkins acknowledged John Warner, Deputy Director, Conveyance Division, and his staff for work they completed during the Tucson Gem and Mineral Show. Staff worked on the Southeast Interceptor conveyance line, which runs along Interstate 10 by downtown. It is a 60-inch diameter system and was identified as having some concerns. Within in a week, staff completed the work in a highly visible area and no complaints regarding odor or congestion were received during this time. Mr. Jenkins stated this job was well-managed and coordinated and thanked Mr. Warner and his staff for a job well done.

Mr. Jenkins noted that the Department uses Key Performance Indicators (KPI's) to track and monitor important values that assist with management and decision making. Mr. Jenkins stated that perhaps the Committee would like to receive a presentation on the Department's progress with the KPI's at a future meeting.

Kendall Kroesen asked when the public (bird watchers) will be allowed back on site at the Roger Road Facility. Mr. Jenkins stated for safety reasons it is closed to the public because the facility is in the process of being cleaned up and should be concluded by the end of this fiscal year. Once the clean-up is completed, it has yet to be determined whether access will be granted to the public for safety reasons and because there will be no one on site to monitor activities.

2. **FY 2013/14 – MID YEAR REVIEW.** Tom Burke, Director, Finance and Risk Management Department, discussed the Period 6 projections. The Department budgeted for just over \$79 million in operating costs, but the projections are at \$78 million. Most of those savings are in the Supplies and Services area.
3. **FY 2014/15 BUDGET.** Mr. Burke distributed a FY 2014/15 Budget Request Summary spreadsheet, which compares the current year's budget to next fiscal year's proposed budget. Mr. Jenkins noted that the operation of Agua Nueva WRF is being paid by CH2M Hill because they have not completed the acceptance testing. In order for CH2M Hill to get paid by contract, the acceptance testing must be completed. The Department has budgeted for six months of CH2M Hill for operations and this delay will present additional savings. Discussion ensued regarding the Budget Request Summary and Mr. Burke answered various questions from the Committee.

F. COMMITTEE/SUBCOMMITTEE REPORTS.

2. **RWRAC FINANCIAL SUB-COMMITTEE UPDATE.** Mr. Taylor provided an update. Mr. Taylor stated staff has been very helpful with assisting the Sub-Committee in gaining a better understanding of RWRD's financials. The Sub-Committee has held several meetings and has reviewed and discussed important matters, such as: the Capital Improvement Program, debt service and the 2014 Financial Plan. Mr. Taylor provided explanation on why the Sub-Committee agrees with the draft 2014 Financial Plan and the recommendations made. Mr. Taylor stated there may be possible rate increases needed in the future and also explained why the Sub-Committee feels it is important to maintain a 1.3 debt service ratio.

G. DISCUSSION/ACTION.

4. **DRAFT FY 2014/15 FINANCIAL PLAN REVIEW.** Mr. Burke gave a PowerPoint Presentation on RWRD's 2014 Financial Plan. Mr. Burke discussed the five year financial projections for the Department, assuming there are no changes with the rates. Mr. Burke stated the Department's capital projects are expected to decrease significantly over the next few years.

Mr. Burke went on to discuss the debt service and making debt service payments. Discussion ensued regarding the debt service and net revenues. Mr. Burke answered various questions from the Committee. Mr. Burke displayed a spreadsheet forecasting rate increases that would need to be met in order to meet the goal of a debt service ratio of 1.3 for fiscal years 2014 through 2018. No rate increases are needed for FY 2014/15; however, for the following fiscal years possible rate increases will have to be reviewed in order to maintain a good debt service ratio. Other recommendations include: to issue \$195 million of new debt between now and FY 2017/18 (\$55 million of proceeds received in February 2014), to pay down \$38 million of debt as it becomes callable, and to adopt rate increases for FY 2015/16 through FY 2017/18 from 4.0% to 5.5%.

ACTION: Armando Membrilla made a motion to support RWRD's FY 2014/15 Financial Plan and recommend approval by the BOS. Mark Taylor seconded the motion. Motion passed unanimously.

5. **POTABLE WATER FLUSHING OF MINIMUM SLOPE SEWERS.** John Warner, Deputy Director, RWRD distributed a handout on water usage and flushing, which compares data from the last few years. Mr. Warner went over the data with the Committee. Mr. Warner stated the goal he wants to see and staff is implementing, is to use half a million gallons per year of reclaim water, as a minimum. The less potable that is being used, the better we are at being sustainable. Mr. Warner went on to explain the work orders issued for vacuum trucks and water trucks, per year, and the costs that are involved with running the various trucks. Mr. Warner answered the Committee's questions.

- 6. IMPACT ON SEWER DESIGN OF WATER CONSERVATION.** Carol Johnson, Sanitary Engineering Manager, RWRD, gave a PowerPoint Presentation on gray water systems for residential. Gray water flows are produced from showers, bathroom sinks and washing machines. Gray water systems are used for irrigation to replace potable water and all other flows go to the wastewater collection system. Ms. Johnson displayed a pie chart showing that 45% of home water use is used for irrigation. Ms. Johnson provided some facts on gray water ordinances and discussed possible pros and cons of gray water systems.

RWRD currently assumes that each person produces 80 gallons of wastewater daily of which approximately half goes into the sewer. If the sewer flows were significantly reduced, there could be a problem with having enough water to allow the conveyance system to function effectively. Ms. Johnson stated staff began to look at the current sewer line design methodology, which calls for using Manning's Equation. Sewer lines have to be designed to achieve a velocity of 2 feet per second at full-pipe flow. Ms. Johnson went on to discuss how the Department should proceed and what RWRD can do to be prepared. Some things RWRD can do are to pay closer attention to terminal slopes and flat sewers and monitor maintenance trends and locations for correlation to gray water systems. Staff and the Committee continued discussion.

H. FUTURE AGENDA ITEMS. No other items were added to the Work Plan.

- I. CALL TO THE AUDIENCE.** Mr. Membrilla stated he finds RWRD's Pipeline Newsletter very informative and really enjoys reading it. However, he asked for clarification regarding the Employee Survey Results article and the approval ratings. Matt Matthewson, Special Assistant to the Director, RWRD, stated staff is working on the survey and focusing on where the Department needs to make improvements.

ACTION: Barbee Hanson made a motion to adjourn the meeting. Bob Iannrino seconded the motion. Motion passed unanimously.

J. ADJOURNMENT. The meeting was adjourned at 10:19 a.m.