

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) PUBLIC MEETING

Pima County Administration East Building

Board of Supervisors Hearing Room

130 W. Congress, 1st Floor

Thursday, March 23, 2017, 8:00 a.m.

Members Present: William Garner, Bill Katzel, John Lynch, Corin Marron, Shaun McClusky, Matt Matthewson, Armando Membrila, Amber Smith, Mark Stratton, Mark Taylor, Ann Marie Wolf

Others Present: Mary Allen (RWRD), Marla Berry (RWRD), Beth Borozan (BOS – D4), Carmine DeBonis (RWRD), Keith Dommer (FRMD), Barbara Escobar (RWRD), Adriana Fuentes (RWRD), Jennifer C. Coyle (RWRD), David Godlewski (SAHBA), Jackson Jenkins (RWRD), Carol Johnson (RWRD), Bart Kreps (Raftelis Financial Consultants), Maria Klucarova (BOS – D3), Patrick McGee (FRMD), Julie McWilliams (RWRD), Eric Nelson (RWRD), Matt Orto (ITD), Jeff Prevatt (RWRD), Fernanda Quintanilla (RWRD), Xavier Rendon (FRMD), Caroline Vargas (RWRD), John Warner (RWRD), Charles Wesselhoft (PCAO), Eric Wieduwilt (RWRD), Monica Wilson (Town of Sahuarita)

A. Call to Order / Roll Call

Amber Smith, Chair, called the meeting to order at 8:07 a.m. Adriana Fuentes, Administrative Specialist, Regional Wastewater Reclamation Department (RWRD), took roll call and a quorum was present.

B. Pledge of Allegiance

C. Proposed Rate Increase Up to Four Percent (4%) To Existing Sewer Connection Fees

1. Presentation

Bart Kreps, Program Manager, Raftelis Financial Consultants, presented on the proposed four percent (4%) rate increase to the existing sewer connection fees. Mr. Kreps stated connection fees are designed to recover the wastewater system cost of capacity and are assessed to customers upfront as they connect to the system. After review of the updated calculations, the results support a 2.6% increase to the current connection fees.

Ms. Smith asked Mr. Kreps what goes into the evaluation of the fees. Mr. Kreps explained the evaluation includes: investments the County has made into the core capacity of the system, as well as the capacity of the treatment facilities and the conveyance system, and what investments have been made historically and what investments may be made in the future. Mr. Kreps continued to explain how the evaluation is performed. John Lynch, Member, RWRAC, stated with the connection fees it is not a consistent revenue stream it is more to have an equitable process to understand what the costs of the system is with regards to capacity. Mr. Kreps stated that is correct. The Committee asked Mr. Kreps various questions. Mr. Lynch asked if the methodology that was used to compute the connection fees for the County is typical. Mr. Kreps stated it is typical; however, there are various ways to calculate fees. Discussion ensued regarding the recommended proposed rate increases. William Garner, Member, RWRAC, asked if the department has historically reviewed connection fee increases on a periodic basis or if this review is now being conducted due to a request made by a member of the Board of Supervisors (BOS). Jackson Jenkins, Director, RWRD, stated the last review of the connection fees was in 2012 and a significant change in the methodology was made. The department went from a fixture unit equivalent methodology to a water meter size methodology, which resulted in approximately 35% reduction in the residential connection fee. Mr. Jenkins stated the department made an internal policy that there be a review of connection fees approximately every five years. Discussion ensued.

(Ms. Smith moved the Call to the Audience agenda item before the Discussion / Action item.)

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

C. Proposed Rate Increase Up to Four Percent (4%) To Existing Sewer Connection Fees

2. Discussion / Action

Mr. Lynch stated it should be clearly stated to the BOS what the basis for computing the connection fees are and there is a difference between the methodology computation and user fees. Matt Matthewson, Member, RWRAC, added that he believes the department's five-year review of connection fees is appropriate. Mr. Garner asked if the 2.6% rate increase recommendation is based on the five-year review and if it is enough to cover the time period until the next review. Mr. Kreps stated it is. The committee continued to comment and discuss the proposed recommendation.

ACTION: Mark Taylor made a motion to recommend a 2.6% connection fee rate increase to the Board of Supervisors. Armando Membrila seconded the motion. Motion passed 7 – 4.

The Committee discussed how the recommendation should be presented to the BOS. It was determined that staff will draft a letter from the RWRAC Chair and Vice-Chair outlining the committee member's reasons that were for and opposed to the recommendation.

E. Adjournment

The meeting was adjourned at 8:49 a.m.