



REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

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

MEETING MINUTES

Thursday, April 16, 2015

COMMITTEE MEMBERS PRESENT:

Ann Marie Wolf	Bob Iannarino	Matt Matthewson
Bill Katzel	Kendall Kroesen	Jackson Jenkins
Armando Membrilla	Rob Kulakofsky	Mark Taylor
John Lynch	Sheila Bowen	

COMMITTEE MEMBERS ABSENT:

Barbee Hanson	Mark Stratton	Amber Smith
Alan Forrest		

A. CALL TO ORDER. Ann Marie Wolf, Chair, called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 8:01 a.m. Barry Holbert took the roll call and a quorum was present.

B. PLEDGE OF ALLEGIANCE.

C. CALL TO THE AUDIENCE. Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD), introduced Jody Watkins as the new RWRAC Coordinator. Mr. Jenkins also informed the Committee that Tom Burke, former Director, Finance and Risk Management Department (F&RMD), has been appointed to the position of Deputy County Administrator for Administration.

D. SAFETY SHARE. Bill Katzel reminded the Committee of the news story of the Florida Mailman that flew his undetected “gyrocopter” into restricted airspace over Washington and landed on the West Lawn of the Capitol building. No one was harmed and police took the man into custody.

E. APPROVAL OF MINUTES.

Meeting Minutes of the Regular Meeting, March 19, 2015.

ACTION: Matt Matthewson made a motion to approve the minutes of the Regular Meeting of March 19, 2015. Bob Iannarino seconded the motion. Sheila Bowen abstained. Motion passed unanimously.

F. COMMITTEE/SUBCOMMITTEE REPORTS.

1. CITIZENS’ WATER ADVISORY COMMITTEE (CWAC) UPDATE. Mark Taylor stated there would be public hearings on the proposed Tucson Water (TW) rate increase. Mr. Taylor stated that the CWAC had been looking at the appropriateness of the TW administrative service fees and there was consideration

of conducting an independent audit of those service fees. However, due to the cost of an independent audit it was decided to conduct internal audit of the administrative service fees. Mr. Taylor informed the Committee that Mr. Gary Woodward had made a presentation to the CWAC regarding water usage.

2. **RWRAC FINANCIAL SUB-COMMITTEE UPDATE.** John Lynch, Chair, RWRAC Financial Sub-Committee stated that there was not a meeting of the Financial Sub-Committee in April 2015. Ms. Wolf announced she was leaving the Financial Sub-Committee and that Sheila Bowen would be taking her place.

G. DISCUSSION/ACTION.

1. DIRECTOR'S UPDATE.

a. **OPERATIONAL UPDATE.** Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD), stated that the Department is getting ready to go out for a contract bid at the end of the year for land application of bio solids. Mr. Jenkins stated that there are challenges on how to produce the lower water content "cake" on a full-time basis and how to prepare the appropriate bid documents.

Mr. Jenkins stated the Department had completed an internal study related to recovering struvite. With an approximately \$7.5 million investment and an eight year payback, the study indicates this could eliminate the approximate \$500,000 a year expenditure for ferric chloride as well as produce a marketable fertilizer product. Ms. Wolfe asked the struvite study be made a future agenda item for the full Committee.

b. **BIOGAS SALE CONTRACT UPDATE.** Mr. Jenkins stated the Department had officially notified Anaergia/Grannus of the decision to terminate the contract. Mr. Jenkins stated that the Department had reached out to the second place firm and they are very interested in working with the Department.

c. **DEPARTMENT REPORT, FISCAL-RELATED ISSUES IN REGIONAL WASTEWATER RECLAMATION.** For the update to the Committee Mr. Jenkins combined agenda items G.1.c. and G.1.d.

d. **APRIL 14, 2015 BOARD OF SUPERVISORS MEETING – RWRD RESPONSE TO BOARD QUESTIONS REGARDING PROPOSED USER FEE INCREASE/PROPOSAL OF AMENDMENT TO USER FEE ASSISTANCE PROGRAM.** Mr. Jenkins referred to a handout titled "Responses to the Board of Supervisors' March 10, 2015 Questions". Mr. Jenkins expressed gratitude to those members of the Committee who had attended the April 14, 2015 Board of Supervisors (BOS) meeting and to Ms. Wolfe and Mr. Taylor for their speaking in support of the rate increase. Mr. Jenkins informed the Committee that the BOS had additional questions for the Department and subsequently continued the item until April 21, 2015. Mr. Jenkins stated due to actions taken by the Arizona State Legislature the Pima County Administrator had requested that every Department reduce its submitted budgets for next fiscal year by two percent and this resulted in a revised budget submission of approximately \$84 million. Mr. Jenkins stated based upon the revised budget submission and upon approximate \$17 million reduction in Capital Improvement Projects (CIP), the financial models were rerun, resulting in the recommendation that went to the BOS for two years of three percent rate increases, rather than the original three years of four percent rate increases. Tom Burke stated for every two percent savings in expenditures, there was a one percent decrease in the rate increase. Mr. Burke stated the two annual increases of three percent would keep the debt service ratio above 130 percent for the next two fiscal years. Mr. Burke stated that no RWRD funds would be used to pay for the costs that are being shifted from the State to the County. Discussion ensued regarding CIP projects, projections, and contingencies. Mr. Jenkins requested the members of the Committee read the report that responded to the BOS questions. If the BOS does not

approve the rate increases, the Department may need to come up with six percent in spending cuts or \$48 million cuts in CIP or a combination of both in order to offset not getting the rate increase. Mr. Jenkins stated that 40 percent of the Department's O&M costs are in personnel. Mr. Jenkins stated that currently 15 percent of the RWRD workforce are eligible for retirement and that in five years 35 percent of the workforce will be eligible for retirement. Discussion ensued regarding the reduction in flow volumes and the calculation of the winter quarter average.

2. FINANCIAL UPDATE.

a) BUDGET CONTROL MEASURES FOR THE REMAINDER OF FISCAL YEAR 2014/15. Aurora Juarez, Financial Manager, F&RMD referred to the County Administrator's March 16, 2015 Memorandum regarding Budget Control Measures for the Remainder of Fiscal Year 2014/15. Ms. Juarez stated for Period 8, the Department is showing a personnel savings of approximately \$307,000. Ms. Juarez explained that even with the hiring freeze in response to the County Administrator's direction, the Department was given a waiver to hire thirteen critical positions this fiscal year. Ms. Juarez further stated the Department is showing a savings in Supplies and Services, approximately \$500,000, mostly due to the cessation of operations at the Randolph Park WRF. Ms. Juarez stated that the Department is showing a savings of approximately \$565,000 in Capital Equipment, so overall in O&M the Department is showing a savings of approximately \$1.37 million. Mr. Matthewson asked if the Department was able to get a waiver for hiring needs, would it be possible to get a waiver for critical capital equipment needs. Mr. Jenkins stated that the Department will not jeopardize the integrity of our utility and his opinion is that on a case-by-case basis the Department has the ability to make a request for a waiver from the County Administrator for critical capital needs purchases. Sheila Bowen asked if the budget control measures affect the mandatory operator training. Mr. Jenkins stated the budget control measures affect "desired" training not mandatory training. Ms. Wolf also stated her concern regarding training being one of the first items cut when implementing budget control measures. Ms. Wolf asked in a future Director's update the issue of training be addressed.

b) RWRD FISCAL YEAR 2015/16 BUDGET. Mr. Burke stated the impact of the revised budget saves the need for a rate increase of one percent each year and that the cumulative effect of the reduction in CIP over the next four years equates to another one percent decrease. Mr. Burke stated that the proposal before the BOS is for two consecutive years of a three percent rate increase with the determination at a later date whether the third year rate increase is necessary.

3. SEMI-ANNUAL SYSTEM WIDE ODOR CONTROL PROGRAM UPDATE. Mr. John Warner, Deputy Director of Conveyance, provided a PowerPoint presentation regarding "System Wide Odor Control Update". Mr. Warner stated that the number of odor complaints on the nine-year average have been declining from 357 complaints in 2006 compared to 184 complaints in 2014. Mr. Warner identified the number of complaints by District and by Quad, for both public and private odor complaints, which is reflected on the map as system-wide. Additionally, they are addressing more private issues than public issues for the first time. Mr. Warner stated they were having some nuisance odors near Sweetwater & I-10 at the Headworks where there is a flow diversion going to the Agua Nueva facility and then continuing down to Ameri-connect. Working on being totally sustainable as possible, the odor group has set up a temporary vapor extraction by the Sweetwater pumps. The Plant Interconnect is built with 100 percent re-claimed, re-purposed equipment from the Roger Road WRF and is intended to be temporary for two to three years maximum. Ms. Wolfe asked to confirm that the report to the BOS stated that if the two percent rate increase is not approved, then Odor Control was not mandated and it would go away? Mr. Jenkins stated that the biggest expense is in odor chemicals and that we would utilize less chemicals and how frequently the carbons are changed out. Discussion ensued regarding the bio-filters, land not available, and astronomical costs including additional water usage. The Odor group is viewing several options.

4. TUCSON WATER STATUS UPDATE. Mr. Wally Wilson, Chief Hydrologist, Tucson Water also provided

a PowerPoint presentation “Water Production for Tucson Water Service Area 1899-2014” and “Water Production for Tucson Water Service Area 1940-2014”. Tucson was the largest city in the United States that was dedicated to groundwater as its only source of water supply until the mid 1980’s, where reclaimed water was introduced to offset some ground water pumping. Colorado River was a complete loss of creditability to the customer to deliver and costly to recover. Since 2003, ground water pumpage has been replaced with recharged and recovered renewable supply from the Colorado River (CAP). Mr. Wilson also presented the Water Production Type between Total Water Production and Potable Water Production, which are back to 1987 levels. Mr. Wilson stated that Tucson Water Service Area Gallons per Capita per Day (GPCD) have declined since 2000. Additionally, Production/Deliveries in Acre Feet the Lost and Unaccounted for Water (LUW) has also declined considerably since 2011. Amount of ground water being pumped is back to the levels of 1941, which is a huge monetary and leadership commitment to renewable supply. Mr. Wilson said they were addressing reservoir rehabilitation to stop leaks, in which some haven’t been touched in 50 years. He also stated that theft is down due to blocking outlying hydrants, outside of the city, in which only Fire departments or as needed Construction projects can utilize. Mr. Wilson stated that there are no open reservoirs and water is turned over within two to three days. Additionally, behavioral changes have helped decrease water usage, included newer updated appliances/housing.

- 5. COMMUNITY OUTREACH UPDATE** Ms. Laura Fairbanks, RWRD Community Relations Manager, introduced her staff and gave a brief overview of the Community Relations Section and the various activities that they are involved in. Internal activities include the monthly newsletter the “Pipeline” and external community outreach events, interaction with the Pima County Board of Supervisors, media relations, and Spanish language translation. Ms. Fairbanks stated that one of the major functions for their Section is transitioning technical information into information that those with a non-technical background can easily understand. Community outreach has changed over the years from weekend type events open to the general public, to more week day events sponsored by a particular employer, which allows the Section to reach more diverse cross-section of the general population. Ms. Fairbanks distributed a flyer “Frequently Asked Questions” regarding how individual sewer bills are calculated. She asked that the members of the Committee engage their family, friends and neighbors, and that they distribute the flyer in an effort to disseminate information to the general public.

Mr. Katzel suggested that a pictorial historical narrative of rate increases and their projections for the future may be useful to the members of the Committee as they speak to their friends, neighbors, constituents to help them understand the driving force behind the need for rate increases.

- H. FUTURE AGENDA ITEMS.** Ms. Wolf announced the future agenda items are: the Nomination/Elections of Officers, Committee Member Attendance Discussion, RWRAC Meeting Frequency Discussion, SHARP Update, Tucson Wetlands tour to be rescheduled at a later date, the WEST Center tour, THM Research Update.

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

ACTION: Armando Membrila made a motion to adjourn the meeting. John Lynch seconded the motion. Motion passed unanimously.

- J. ADJOURNMENT.** The meeting was adjourned at 10:03 a.m.