

**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) MEETING**

**Water Campus**

**2955 W. Calle Agua Nueva – Radon Conference Room**

**Thursday, April 26, 2018, 8:00 a.m.**

**Members Present:** John Lynch, Corin Marron, Jean McLain, Matt Matthewson, Armando Membriola, Asia Philbin, Mark Taylor, Ann Marie Wolf

**Members Absent:** William Garner, Bill Katzel, Rob Kulakofsky, Shaun McClusky

**Others Present:** Mandy Armenta (FRMD), Marla Berry (RWRD), Jeff Biggs (Tucson Water), Adam Bliven (RWRD), Michelle Campagne (FRMD), Isai Centeno (FRMD), Jennifer C. Coyle (RWRD), Keith Dommer (FRMD), Barbara Escobar (RWRD), Jackson Jenkins (RWRD), Veronica Lopez (RWRD), Patrick McGee (FRMD), Jeanette Montano (RWRD), Jeff Prevatt (RWRD), Fernanda Quintanilla (RWRD), Xavier Rendon (FRMD), Jaime Rivera (RWRD), Caroline Vargas (RWRD), Chuck Wesselhoft (PCAO), Eric Wieduwilt (RWRD)

**A. Call to Order / Roll Call**

Corin Marron, Regional Wastewater Reclamation Advisory Committee (RWRAC), called the meeting to order at 8:06 a.m. Veronica Lopez, Program Coordinator, Regional Wastewater Reclamation Department (RWRD), took 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**

Ann Marie Wolf, RWRAC Member, discussed the benefits of Automated External Defibrillators (AEDs) and how the chance of survival is increased by use of an AED during a cardiac incident. Ms. Wolf recommended that everyone become familiar where AEDs are located in the workplace and also stated they are designed with easy to follow instructions.

**E. Approval of Minutes**

**Meeting Minutes for March 22, 2018**

**ACTION:** Ann Marie Wolf made a motion to approve the meeting minutes of March 22, 2018. Armando Membriola seconded the motion. Motion passed unanimously.

**F. Discussion/Action**

**1. Director's Update**

Jackson Jenkins, Director, RWRD, presented Dr. Jean McLain, RWRAC Member, with a Certificate of Recognition from the National Environment Achievement award for the Living River Project, in which the University of Arizona was a partner in this project.

Mr. Jenkins stated County departments will soon be presenting their budget request to the Board of Supervisors (BOS). RWRD will not be requesting an increase to the department's budget for the upcoming FY 2018/2019. As the department prepares for the BOS budget hearing, RWRD staff prepared a memorandum to the County Administrator highlighting performance measures for the major areas of our utility. Copies of the memorandum were distributed to the committee.

Mr. Jenkins stated safety is one of the department's top priorities. The department has seen a 65% reduction in recordable safety incidents since 2012. In an effort to right-size our utility, there has been a 25% reduction in personnel since 2009 and there has been no loss in the level of service provided. Mr. Jenkins stated the department has taken a proactive approach to monitor personnel costs, such as the number of full time equivalents and overtime.

Over the past few years, odor complaints have declined by 41% and Sanitary Sewer Overflows (SSOs) have reduced by 68%. Mr. Jenkins stated the national average for SSOs on an annual basis is 4.5 SSOs per 100 miles of pipeline. RWRD has approximately 3,500 miles of conveyance pipeline and based on the national average, would indicate the department would expect to have 158 SSOs per year. Mr. Jenkins recognized Jaime Rivera, Deputy Director, RWRD, and the Conveyance staff, as well as the Community Relations and Industrial Wastewater Control staff, for all of their hard work and combined efforts which has contributed to the reductions in these two areas.

Mr. Jenkins stated the department has incorporated renewable energy sources over the past several years. The total energy costs have reduced by 19% since FY 2012/2013. RWRD has also seen improved water quality at the Tres Rios and Agua Nueva Water Reclamation Facilities (WRF) through nutrient reduction. Mr. Jenkins discussed the increases in annual long-term recharge credits and in effluent usage. RWRD has maintained the operations and maintenance (O&M) budget at approximately the same level over the past five years.

Mr. Jenkins announced that today, Jeff Prevatt, Deputy Director, RWRD, will be presenting on one of the three items regarding the modifications to the rate structure. Mr. Prevatt will present on the actual water usage versus the winter quarter average usage for non-residential customers. Barbara Escobar, Program Manager, RWRD, will present next month on the number of industrial classes, and Jennifer C. Coyle, Special Assistant to the Director, RWRD, will present in June on the residential sewer user fee rate structure. Mr. Jenkins stated after all three topics have been presented on, he would like the committee's feedback on all three items.

The Mount Lemmon WRF will be shutting down next week for general maintenance. An assessment will also be conducted during this time. A report of recommendations will be provided to the County Administrator once the assessment is complete.

## **2. Financial Subcommittee Update**

John Lynch, RWRAC Financial Subcommittee Chair, provided an update. Mr. Lynch stated the Financial Subcommittee received presentations on all three topics regarding the modifications to the rate structure. Mr. Lynch stated the Financial Subcommittee agreed with staff that these items be presented to the full committee one at a time. Mr. Lynch stated there is no timeline with making a final determination on these items.

The draft Financial Plan was also discussed at the subcommittee meeting. At this meeting, the Financial Subcommittee made a motion and unanimously voted to recommend the following:

1. Continue to issue new sewer revenue debt as planned, to finance the capital needs of maintaining and expanding the County's sewer system.
2. Use unrestricted cash as planned, to prepay sewer revenue debt.
3. An increase in revenues generated by sewer user fees is not needed at this time.

## **3. 2018 Financial Plan Update**

Keith Dommer, Director, Finance and Risk Management Department (FRMD), reiterated that the Financial Subcommittee reviewed the Financial Plan. Mr. Dommer discussed the changes that were made to the Plan.

**ACTION:** John Lynch made a motion to support the findings and recommendations as outlined in the 2018 Financial Plan, specifically to continue to issue new sewer revenue debt as planned, to finance the capital needs of maintaining and expanding the County's sewer system, to use restricted cash as planned, to prepay

sewer revenue debt, and an increase in revenues generated by sewer user fees is not needed at this time. Armando Membrilla seconded the motion. Motion passed unanimously.

Hard copies of the draft letter from the RWRAC to the BOS regarding their support of the 2018 Financial Plan was distributed to the committee. Mr. Dommer discussed the substance of the letter and edits that were made. Mr. Lynch suggested an edit to Item #1 on Page 1, to note the department's Capital Improvement Program (CIP). Mr. Dommer stated the County Administrator would like the Financial Plan submitted to the BOS prior to the budget hearings. Ms. Marron requested the committee members provide Ms. Lopez with any feedback by close of business day, Friday, May 27<sup>th</sup>.

**4. Fiscal Year 2017/2018 RWRD Expense and Revenue Update**

Mandy Armenta, Administrative Support Services Manager, FRMD, provided the expense and revenue update for Period 9. The total O&M expenses projections are \$80.9 million, which is approximately \$2.4 million under budget. Total revenues are forecasted at \$177.4 million, which is \$3.8 million above the projected budget.

**5. Presentation on Actual Water Usage vs. Winter Quarter Average**

Mr. Prevatt gave a PowerPoint presentation regarding winter quarter averaging versus direct usage for commercial sewer accounts. Mr. Prevatt explained the benefits of winter averaging, such as: it is ideal for residential customers, it allows most customers an opportunity to lower their sewer bill, and sewer charges remain the same each month regardless of usage. Direct usage is more applicable for commercial customers. Most commercial properties have limited outdoor use and reduced holiday operations can bias winter averaging. Mr. Prevatt provided examples of various commercial accounts and the inequities between winter quarter averaging versus actual usage. Mr. Jenkins stated it is the department's recommendation to discontinue water quarter average for commercial accounts and would like the committee's input on this recommendation. Mr. Jenkins also asked the committee to let staff know of any further information/data they would like to receive related to this topic. Discussion ensued.

**6. Sewer Outreach Subsidy (SOS) Program Presentation**

Ms. Coyle provided an overview of the SOS Program. The BOS authorized the creation of the program on May 1, 2007. The SOS Program and procedures outlining the program are can be found in Pima County Code 13.24. The purpose of the program is to make essential sewer service more affordable for customers in need of support. Ms. Coyle explained the eligibility and design of the program. The Pima County Community Action Agency (PCCAA) administers the program on RWRD's behalf as they already perform these functions for other low-income programs. Customers in contact with PCCAA will automatically be considered for the SOS Program.

Ms. Coyle stated there has been an approximate 200% increase in enrollment since the program's inception. Ms. Coyle explained through extensive outreach, process improvements, and multi-jurisdictional collaboration, program applicants have experienced improvements in appointment scheduling and the application process. Discussions are continuing to be held to look at eligibility, expanding hours, scheduling appointments online, and continuing outreach efforts. Ms. Wolf stated she would be willing to distribute the brochures if staff could provide her with a supply of brochures.

**7. Capital Improvement Program Subcommittee Update**

Matt Matthewson, RWRAC CIP Subcommittee Chair, stated with Amber Smith stepping down from the committee, there is now a vacancy on the CIP Subcommittee and asked for a volunteer to fill this vacancy. Asia Philbin, RWRAC Member, volunteered to serve on the RWRAC CIP Subcommittee. Mr. Matthewson stated the CIP Subcommittee will hold a meeting in June and asked Ms. Lopez to schedule the meeting. Mr. Matthewson stated he would like to review the department's Facility Plan and asked staff to provide hardcopies to the subcommittee members prior to the meeting.

**8. Citizens' Water Advisory Committee (CWAC) Update**

Jeff Biggs, Tucson Water, provided the CWAC Update and stated the last meeting was held on April 4, 2018.

The main topic of discussion at the meeting was the 2018 Legislative Update. Mr. Biggs stated Tucson Water is currently focused on preparing for the summer demand. Tucson Water will be recommending a rate increase to the Mayor and Council on May 22, 2018. Three public meetings have been held regarding the proposed increase and discussions have been productive. Mr. Biggs explained a four-year rate and a two-year rate are being proposed, but Tucson Water is recommending the four-year rate. The new rate would take effect the first Monday in July 2018.

#### G. Future Agenda Items

Agenda Items for May RWRAC Meeting:

- Presentation on the Number of Industrial Classes
- Actual Water Usage vs. Winter Quarter Average
- Tucson Water Financial Plan

Agenda Items for June RWRAC Meeting:

- Presentation on the Residential Sewer User Fee Rate Structure
- Number of Industrial Classes
- Mount Lemmon WRF Update

Other Agenda Items:

- Section 208 Plan Update
- Conserve to Enhance Presentation
- Dispose-A-Med: Policy Options

Mr. Biggs stated there is a Dispose-A-Med event being held on Saturday, April 28<sup>th</sup> from 10:00 a.m. to 2:00 p.m. at the Target on Ina/Thornycroft Road. Discussion ensued regarding whether to place the Dispose-A-Med item on a future agenda and Ms. Wolf suggested checking with Bill Katzel, RWRAC Member, as he may have interest in discussing this item.

**Call to the Audience** – Mr. Jenkins announced that RWRD was recognized by the local chapter of the American Public Works Association (APWA) and received four awards. Jaime Rivera, Deputy Director, RWRD, received the APWA Southern Branch Outstanding Public Works Employee of the Year award. The three other awards were received for the following projects: the Broadway Boulevard Sewer Augmentation Project, the North Rillito Interceptor Project, and the Job Order Master Agreement Project.

Mr. Prevatt announced at the AZ Water Conference next week, the Agua Nueva facility is receiving the Large Facility of the Year award. Adam Bliven, Program Manager, RWRD, added the JOC Program will also be recognized at the AZ Water Conference.

#### H. Adjournment

**ACTION:** Ann Marie Wolf made a motion to adjourn the meeting. Mark Taylor seconded the motion. The meeting was adjourned at 9:47 a.m.