



REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE
Pima County Administration East Building
Board of Supervisors Hearing Room
130 W. Congress, 1st Floor
Tucson, Arizona 85701

MEETING MINUTES

Thursday, June 18, 2015

COMMITTEE MEMBERS PRESENT:

Ann Marie Wolf	Sheila Bowen	Barbee Hanson	Rob Kulakofsky
John Lynch	Matt Matthewson	Amber Smith (via phone)	Mark Stratton

COMMITTEE MEMBERS ABSENT:

Bob Iannarino	Bill Katzel	Armando Membrila	Mark Taylor
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PAG Member (Vacant)

A. CALL TO ORDER / ROLL CALL Ann Marie Wolf, Chair, called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 9:30 a.m. Jody Watkins 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. Barbee Hanson reminded everyone the importance of utilizing sunscreen especially now during the summer season as well as all year.

E. APPROVAL OF MINUTES.

Meeting Minutes of the Regular Meeting, May 21, 2015.

ACTION: Rob Kulakofsky made a motion to approve the minutes of the Regular Meeting of May 21, 2015. John Lynch seconded the motion. Barbee Hanson abstained. Motion passed unanimously.

F. COMMITTEE/SUBCOMMITTEE REPORTS

1. **CITIZENS' WATER ADVISORY COMMITTEE (CWAC) UPDATE.** Jeff Biggs, Interim Deputy Director, City of Tucson Water Department, stated that the last CWAC meeting was June 3, 2015 and no meetings are scheduled for July and August. Alan Tonelson, Representative Ward 1, is leaving CWAC and Ryan Lee will be his replacement. Pima County Regional Wastewater Reclamation Department, Deputy Director, John Warner, presented the effects on reduced flow on gravity sewer systems. Mayor Jonathan Rothschild spoke on the Mayor's Office water perspective for most of the meeting. Mayor Rothschild accredited that water is the heart of all development within the Tucson area. Mayor Rothschild indicated that Tucson Water and the City need to manage any panic related issues to any upcoming shortages on the Colorado River on how it may affect Tucson Water. Mayor Rothschild stated that Tucson Water has managed the water extremely well with numerous agreements with other entities, infrastructure improvements, advanced oxidation process treatment plant that was implemented 18 months ago and the water service area policy and continued conservation efforts from customers. Mayor Rothschild acknowledged that investments will need to be made to bring in big businesses and employers in the Tucson area.
2. **RWRAC FINANCIAL SUB-COMMITTEE UPDATE.** John Lynch, Chair, RWRAC Financial Sub-Committee stated that the Financial Sub-Committee has not met since the meeting on May 6, 2015.

G. DISCUSSION/ACTION.

1. PROPOSED SEWER CONNECTION FEE INCREASES

a. DISCUSSION. Rob Kulakofsky made a motion to peg the connection fee increase to cost of living increase and standard inflation rates, Mark Stratton second the motion. Mr. Lynch pointed out that the inflation rate for 2012 should be calculated at half a year as the increase did not go into effect until July 2012; therefore, the inflation rate is approximately over the last three years is closer to 4% increase, which is closer to the 3% proposed increase. Mr. Kulakofsky stated that it's a "good" idea to propose a 3% connection fee increase; however, it's a "better" idea to propose a higher rate increase due to inflation. Sheila Bowen requested that more time be given to the committee for any future increases. Ms. Wolf agreed. Amber Smith was connected to the meeting via telephone as there is a motion on the floor. Mr. Kulakofsky made the motion to recommend to the Supervisors that the connection fee be pegged to increase with inflation instead of 3% and probably more like 4% per Mr. Lynch's statement. Mr. Lynch stated a concern that if the Committee agreed on a 4% fee increase, the department may not have any flexibility utilizing RWRD's process and methodology. Sheila Bowen, offered a friendly amendment that the connection fees be tied to the rate of inflation or other factors determined by RWRD that would be necessary. Ms. Wolf confirmed with Mr. Kulakofsky and Mr. Stratton if they accepted the friendly amendment. Both agreed. Matt Matthewson asked if the Financial Sub-committee should look at other aspects of the proposed 4% increase and other impacts. Mr. Matthewson indicated that the Committee needs to be able to demonstrate the justification for both the connection and user fee increases and suggested further analysis on the proposal. Mr. Kulakofsky was concerned that the Financial Sub-committee would not be able to meet the timeframe needed. Mr. Lynch stated that the current motion of 4% could be deferred and indicated that the Committee could continue to send their recommendation of 3% to the Board. The Committee can continue to review and evaluate the components of inflation and methodology to determine if additional increases are necessary in the future. Ms. Wolf asked if there was any more discussion and moved forward to vote on the motion.

b. VOTE ON THE RECOMMENDATION TO THE PIMA COUNTY BOARD OF SUPERVISORS REGARDING SEWER CONNECTION FEE INCREASES.

Ms. Wolf asked members to vote on the motion.

ACTION: Mr. Kulakofsky made the motion to tie the connection fees to the rate of inflation, Ms. Bowen

made the friendly amended to include other factors determined by RWRD that would be necessary, and Mr. Stratton second the motion. The motion passed unanimously, 4-3. Amber Smith was unable to vote due to sporadic phone connection.

A letter on the Committee's recommendation to the Board of Supervisors will state that the increase in connection fees be pegged to inflation increase and other factors determined by the Department.

2. PROPOSED SEWER USER FEE INCREASES

Discussion of Board of Supervisors' proposal to reduce the Staff-proposed User Fee rate increase from three successive 4% increases to two successive 3% increases and potential issuance of the Regional Wastewater Reclamation Advisory Committee recommendation letter to the Board of Supervisors regarding the proposed change. Discussion ensued regarding whether the Committee needed to re-submit a letter of recommendation to the Board of Supervisors as the original recommendation was for three successive 4 % increases and the Board is recommending two successive 3% increases. Members agreed that no modification letter was needed.

3. DIRECTOR'S UPDATE

a. OPERATIONAL UPDATE. Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD), stated that the handling of solids is continuously being evaluated at the Agua Nueva plant. Two waste streams used to be comingled with Tres Rios and were separated, approximately three months ago, which has made a tremendous positive impact. The temporary solution is working and a permanent solution is being discussed.

b. ROGER ROAD REPURPOSING. Mr. Jenkins indicated Pima County and the University of Arizona have been working together and are open to ideas. The University was interested in fish and algae farming at the location. Mr. Jenkins stated that the proposal from the University indicated that Pima County RWRD would need to supplement funds to upgrade the current facility and fund several staff. Proposal was not accepted. Mr. Jenkins indicated that Tucson Water has an interest in utilizing a portion of the Roger Road WRF due to the temporary cessation of the Randolph Park WRF. RWRD has a tentative agreement with Tucson Water and Mr. Jenkins mentioned that RWRD would fund any necessary changes or modifications which would be offset by the temporary cessation of the Randolph Park WRF.

c. EVALUATION OF MT. LEMMON WASTEWATER SERVICES. Mr. Jenkins indicated that RWRD was in the process of evaluating the Mt. Lemmon facility. There are approximately 30 active customers and the cost is approximately \$300,000 annually, \$10,000 per customer to manage the facility. Mt. Lemmon facility has run non-stop since the 1980's, additional upgrades are needed along with power upgrades. Mr. Jenkins stated that more details and further discussions will continue. Mr. Lynch requested that the Financial Sub-Committee be involved during the process including all other high operational costs and facility modifications. Ms. Wolf requested that the Mt. Lemmon community be involved as well. There are approximately 75 properties on the mountain.

4. FINANCIAL UPDATE

a. RWRD FISCAL YEAR 2014/15 BUDGET. Patrick McGee, Division Manager, Finance and Risk Management Department (FRMD), presented April 30, 2015 - Period 10 forecast. RWRD expenses for

O&M are \$1.2 million under the budget of \$83.9 million. Revenues are being forecasted at \$270,000 under budget. Mr. McGee indicated that the decrease in expenses, based on Period 11 and June 2015, are showing a decrease in sewer user fees. Mr. Matthewson noted that the “Notes” listed on the graph also suggested savings, which included interdepartmental salaries, Randolph temporary cessation, cancellation of ArcFlash Hazard Analysis, abatement, travel and training expenses and suspension of capital purchases.

b. RWRD FISCAL YEAR 2015/16 BUDGET. Mr. McGee indicated that the Board approved the adopted budget on Tuesday, June 16, 2015. RWRD’s O&M was approved for \$84.5 million.

- 5. NOMINATIONS AND ELECTION OF OFFICERS.** Ms. Wolf stated that Mark Taylor expressed an interest to be Chair of the Committee. Ms. Wolf asked if anyone else was interested in becoming the Chair. Mr. Kulakofsky stated that nominations from the Committee were Mark Taylor as Chair and Matt Matthewson as Vice-Chair. Mr. Matthewson declined. Ms. Wolf stated she would be interested in Vice-Chair. No one else expressed interest in Chair or Vice-Chair.

ACTION: Mr. Kulakofsky made the motion to elect Mark Taylor as Committee Chair and Ann Marie Wolf as Vice-Chair, Ms. Bowen second the motion. Motion passed.

- H. FUTURE AGENDA ITEMS:** Ms. Wolf reminded the Committee that they are now meeting bi-monthly. Ms. Wolf announced the future agenda items: Director’s Update, FY 2014/15 Budget-Year End Report, Adopted FY 2015/16 Budget, Annual Effluent Utilization Report, Regional Wastewater Assessment Status Report, Approved Annual Report to the Board of Supervisors, Rate Study and Industrial Wastewater Control-Permits and Compliance Update.

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

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

ACTION: Ms. Hanson made a motion to adjourn the meeting. Ms. Bowen second the motion.