REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) MEETING  
Virtual Microsoft Teams Meeting  
Thursday, March 25, 2021  
8:00 a.m.

Members Present: Steve Foley, Alison Jones, Bill Katzel, Scott Kolt, Rob Kulakofsky, Corin Marron, Matt Matthewson, Armando Membrila, Scott Oldendorph, Asia Philbin, Mark Taylor, Ann Marie Wolf, Claire Zucker

Others Present: Mandy Armenta (FRMD), Laura Arnold (RWRD), Marla Berry (RWRD), Jeff Biggs (Tucson Water), Adam Bliven (RWRD), Julie Brixen (FRMD), Victoria Buchinger (PCAO), Michelle Campagne (FRMD), Isai Centeno (FRMD), Kim Challender (BOS – District 1), Carmine DeBonis (County Administration), Barbara Escobar (RWRD), Mike Gerstenberger (RWRD), Andrew Greenhill (Tucson Water), Jackson Jenkins (RWRD), John Kmiec (Tucson Water), Yves Khawam (County Administration), Veronica Lopez (RWRD), Julie McWilliams (RWRD), Mead Mier (PAG), Jeff Prevatt (RWRD), Xavier Rendon (FRMD), Jaime Rivera (RWRD), Mary Valencic (RWRD), Eric Wieduwilt (RWRD)

A. Call to Order / Roll Call

Scott Oldendorph, Chair, RWRAC, called the meeting to order at 8:00 a.m. and went over virtual meeting guideline/reminders. 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

Jackson Jenkins, Director, RWRD, reminded everyone to be cautious and safe while outside during high winds. Mr. Oldendorph added with schools offering in-person learning, to be cautious of school zones and increased traffic.

E. Approval of Minutes – Meeting Minutes for February 25, 2021

ACTION: Steve Foley made a motion to approve the meeting minutes from February 25, 2021 with a minor correction. Ann Marie Wolf seconded the motion. Motion passed unanimously.

F. Discussion/Action

1. County Legislative Agenda

Carmine DeBonis, Deputy County Administrator – Public Works, provided a 2021 Legislative Update. Mr. DeBonis highlighted and briefly discussed the six general legislative priorities of Pima County: Criminal Justice Reform, Transportation Funding, Strengthening County Public Health Functions, Reducing or Eliminating Annual State Cost Transfers to Counties, Public Works – Wastewater Reclamation Fees – Billing and Collection, and Support the County Supervisors...
Association Adopted Legislative Agenda. With regards to Wastewater Reclamation Fees – Billing and Collection, Mr. DeBonis stated RWRD spends approximately $5 million for billing and collection services and a concept that has been presented is to have the RWRD delinquent bills become a lien against the real property. Discussion on this item was held but did not materialize for this legislative session; however, discussion on this matter will continue with the legislative lobbyists to frame out a structure for a bill.

The 2021 Arizona Legislative Session started January 11, 2021 and will end on April 24, 2021. Mr. DeBonis stated to date 25 pieces of legislation have passed and proceeded to discuss a few of these House Bills. Mr. DeBonis also touched on wastewater related legislation and spoke to House Bill 269, which applies current statutory application of navigable waters to waters that are classified as Waters of the United States and establishes requirements, prohibitions and processes for water quality standards and permitting of specified protected surface waters. Mr. DeBonis briefly discussed other bills of interest/concern.

Matt Matthewson, Member, RWRAC, asked if the legislation regarding a potential for lien authorization requires State legislation or could it be authorized through a County ordinance. Mr. DeBonis stated it requires State legislation. Mr. Matthewson suggested the RWRAC assist in lobbying for this legislation. Mark Taylor, Member, RWRAC, asked what the County’s wastewater delinquencies are. Mr. Jenkins stated historically the delinquencies are one percent or less, but due to the pandemic, there has been an increase of approximately two to three percent. Michelle Campagne, Director, Finance and Risk Management Department (FRMD), confirmed there has been an increase of about $1 million in delinquent accounts. Discussion ensued.

2. Director’s Report
   a. Plastic Pipe Supply
      Mr. Jenkins stated the department is aware of possible delays in the delivery of pipe supplies due to bad weather in other states, the pandemic, etc. and because the department has several projects that require pipes, staff is monitoring this issue.

   b. SSO – Recent Incident
      Mr. Jenkins stated the department does not have many SSO’s; however, there was a recent incident with the Broadway Road widening project. The contractor has hit the pipeline three separate times. The recent incident involved a church in which there was some flooding in their basement. The contractor has been reminded of certain protocols that must be followed.

   c. SCADA Pole at Pump Station
      The Solida Del Sol Homeowners Association (HOA) has requested the department take over the pump station they currently run. The department agreed to take this pump station over, with the agreement that the HOA pays for the upgrades to the system in order to meet County standards. The department agreed to pay for the upgrade costs and set up a payment plan for the HOA to reimburse the department. Mr. Jenkins explained the pump stations are monitored via SCADA, which requires an antenna. The antenna at the Solida Del Sol neighborhood requires a tall antenna pole that measures about 65-feet. Although the Solida Del Sol HOA is in agreement with the pole installation, the neighbors to the south have expressed concerns. The department is working with all stakeholders to resolve this matter.

   d. Delinquent User Fees and SOS Accounts
      Mr. Jenkins stated during the pandemic, most if not all utility companies have foregone shutting off service due to non-payments. RWRD is in partnership with the four major water companies
e. **Nuresys Update**  
Mr. Jenkins stated the 60-day required test is underway and going well.

f. **Biogas Update**  
This project is in the start-up phase and close to placing gas into the system. Mr. Jenkins stated he expects gas will be running through the pipeline by next month. The department will receive revenue from selling the gas. A ribbon cutting ceremony is tentatively scheduled for May and details and plans for the ceremony are still being worked out.

**g. Pandemic Update**  
Currently, the department has two employees out who are exhibiting Covid-like symptoms. Mr. Jenkins discussed the process for vaccinating employees and stated approximately 50% of the department’s employees are vaccinated.

3. **2021 Financial Plan Draft Review**  
Ms. Campagne presented on the 2021 RWRD Financial Plan. Ms. Campagne stated staff continue to utilize the same key assumptions and methodologies that have been used in prior years. For revenues, the population growth estimates from the University of Arizona are used. Ms. Campagne stated rate increases are not being recommended for the next four years. For expenses, staff is assuming a one percent increase each year for Fiscal Years 2023, 2024, and 2025. Through Fiscal Year 2025, the CIP budget totals $232 million. The recommendation is issuing $40 million in debt per year for the next four years to cover the CIP costs. A three percent interest rate is being used for future projections.

Ms. Campagne stated the department’s revenues should remain constant over the next four years. Ms. Campagne provided a brief overview of operating costs, debt issuances, and debt service payments. It is estimated that RWRD will have $155.2 million in cash at the end of Fiscal Year 2021, with $56.2 million of unrestricted cash and $99 million of restricted and designated. The debt service ratio will remain above 1.3 through 2025, which meets the rating agency requirements. Ms. Campagne provided an overview of the rate workbook. Discussion ensued.

4. **Financial Subcommittee Report**  
On behalf of Mr. Taylor, Mr. Jenkins stated due to other commitments, Mr. Taylor is requesting a volunteer to Chair the Financial Subcommittee. Mr. Matthewson stated he is willing to Chair this committee if someone else volunteers to Chair the CIP Subcommittee since he is currently the CIP Subcommittee Chair. Asia Philbin stated she is willing to serve as the CIP Subcommittee Chair.

5. **CIP Subcommittee Report**  
Mr. Matthewson stated the CIP Subcommittee will meet in June.

**ACTION:** Armando Membrila made a motion to nominate Matt Matthewson serve as the RWRAC Financial Subcommittee Chair and Asia Philbin serve as the CIP Subcommittee Chair. Claire Zucker seconded the motion. Motion passed unanimously.
6. **Fiscal Year 2020/21 Expense and Revenue Summary**

Mandy Armenta, Administrative Support Services Manager, FRMD, provided the Fiscal Year 2020/21 Expense and Revenue Summary for Period 8. The total operating and maintenance projection is $82.8 million, which is slightly above budget. Ms. Armenta reported the Department is slightly under for projected revenues, but overall everything looks good for this Fiscal Year. It was decided that the committee will take action on the Financial Plan at next month’s meeting.

7. **CWAC Report – Meeting Report and Tucson Water Activities**

Alison Jones, Member, RWRAC, stated CWAC met on March 3, 2021 and the primary focus of that meeting was the proposed differential rates that are being considered for unincorporated Pima County. Ms. Jones provided a summary of what was discussed and informed the committee that the meeting is available for viewing on the CWAC website. Ms. Jones stated the majority of the CWAC did not approve of the differential rates due to no evidence that it would incentivize annexation. A minority of CWAC supported differential rates for various reasons, such as protection of water resources. Ms. Jones and Mr. Taylor are drafting a letter to the Mayor and Council summarizing CWAC’s position on this matter. If the Mayor and Council approves of differential rates, it would go into effect on July 5, 2021.

G. **Future Agenda Items**

- Review and Approval of 2021 Financial Plan

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

I. **Adjournment**

**ACTION:** Ann Marie Wolf made a motion to adjourn the meeting. Steve Foley seconded the motion. Motion passed unanimously.

The meeting adjourned at 9:36 a.m.