

**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE (RWRAC) MEETING  
Virtual Microsoft Teams Meeting**

**Thursday, March 24, 2022**

**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:**

Melaine Alvarez (PAG), Silvia Amparano (Tucson Water), Mandy Armenta (FRMD), Marla Berry (RWRD), Michelle Campagne (FRMD), Isai Centeno (FRMD), Kim Challender (BOS – D1), Max DiSante (RWRD), Belinda Gamboa-Felix, Mike Gerstenberger (RWRD), Andrew Greenhill (Tucson Water), Jodi Hoskinson (Jacobs Engineering), Jackson Jenkins (RWRD), Kris LaFleur (Tucson Water), Veronica Lopez (RWRD), Julie McWilliams (RWRD), Jeff Prevatt (RWRD), Jaime Rivera (RWRD), Robert Szilagyi (FRMD), Eric Wieduwilt (RWRD)

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

Scott Oldendorph, Chair, RWRAC, called the meeting to order at 8:00 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**

Jackson Jenkins, Director, RWRD, reminded everyone when working on various projects whether at home or work, to wear a hard hat when necessary to avoid hitting or bumping your head. Mr. Oldendorph also suggested to be aware of cyber-attacks and protect your computers with safety features.

**E. Approval of Minutes** – Meeting Minutes for February 24, 2022

**ACTION:** Claire Zucker made a motion to approve the meeting minutes from February 24, 2022. Bill Katzel seconded the motion. The motion passed unanimously.

**F. Discussion/Action**

**1. Director's Report**

**a. Cyber Security**

Mr. Jenkins stated Pima County's Information Technology Department oversees the overall security for our computer systems and have measures in place to ensure proper security. Mr. Jenkins briefly discussed steps the Department takes to protect the SCADA system. Mr. Jenkins also noted that the presentation given on this topic was presented to the committee at the November 2021 meeting and is posted to the RWRAC webpage for anyone that may be interested in viewing the presentation.

**b. SAPCO**

Mr. Jenkins stated SAPCO is a Sustainable Action Plan for County operations. This Plan was implemented in 2018 through the collaboration of County Departments and the dedication and efforts of County employees. Mr. Jenkins stated RWRD accounts for 45 percent of the carbon footprint for the County. It has been decided that RWRD will develop its own plan on recommendations on carbon calculations. Mr. Jenkins explained another item that is being discussed is the charging of electric vehicles and how the electricity being utilized to charge these vehicles should be calculated. Mr. Jenkins stated once a departmental plan is created and staff have more concrete data, a presentation on SAPCO will be given to the committee. Discussion ensued.

**2. Financial Plan Review**

Michelle Campagne, Director, Finance and Risk Management Department (FRMD), gave a PowerPoint presentation on the draft 2022 RWRD Financial Plan. Ms. Campagne went over the key assumptions that were utilized for the Financial Plan. Ms. Campagne stated rate increases are not being recommended for the next four years, for either user fees or utility fees. For annual rate expenses, an assumption of a 6.9 percent increase is forecasted for FY 2023. With regards to revenues, based on population growth and no proposed rate increases, the projection is that revenues remain constant for the next four years. Over the next five years, the Capital Improvement Program (CIP) project expenses range from \$51 million to \$55 million. Ms. Campagne discussed operating and maintenance (O&M) expenses and debt issuances. The Department will end FY 2022 with \$159.9 million in cash, of which \$61.2 million is unrestricted and \$98.7 million is restricted, and with a debt service ratio of 1.3. Mark Taylor, Member, RWRAC, stated it seems as though the debt payments are increasing rather than decreasing. Ms. Campagne stated due to the high increases in O&M expenses and in CIP costs, the methodology has changed. Mr. Taylor asked rather than the Department propose a rate increase, the Department will then increase their debt. Ms. Campagne stated that is correct. Discussion ensued regarding proposed rate increases versus increasing the debt. Rob Kulakofsky, Member, RWRAC, expressed concern with increasing new debt with the current rise in inflation. Ms. Campagne stated the new debt is based on the CIP plan, so in order to issue less debt, the CIP plan expenses would have to be decreased or propose a rate increase. Discussion ensued.

Ms. Campagne announced her retirement effective July 2022.

**ACTION:** Matt Matthewson made a motion that the RWRAC support RWRD's proposed FY 2022 Financial Plan. Steve Foley seconded the motion. The motion passed 10-2.

A letter will be drafted from the RWRAC Chair to the Board of Supervisors communicating the committee's support of the Financial Plan.

**3. Financial Subcommittee Report**

There were no updates to report.

**4. Fiscal Year 2021/22 Expense and Revenue Summary**

Mandy Armenta, Administrative Support Services Manager, FRMD, provided the Fiscal Year 2021/22 Expense and Revenue Summary for Period 8. The O&M projected expenses are \$85.5 million. The Department is experiencing savings in Personnel Services due to vacancies, retirements and turnover. Ms. Armenta pointed out that Biogas revenue has been added to the summary report. The Biogas budget is \$1 million and the projected revenues are estimated at

\$500,000. The adopted expenses budget is \$165 million and projections are currently at \$164.5 million. The adopted revenue budget is \$187.1 million and the projected revenue is estimated at \$185.7 million.

**5. CIP Subcommittee Report**

Asia Philbin, CIP Subcommittee Chair, RWRAC CIP Subcommittee, stated the next meeting is being scheduled for May.

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

Alison Jones stated the CWAC met on March 2, 2022 and provided an overview of the meeting topics. Ms. Jones stated some of the discussion items included clarification on how the committee should handle conflict of interest matters, and Ms. Jones also discussed current vacancies on their subcommittees. Ms. Jones announced that Mr. Taylor stepped down from his position on the CWAC. Mr. Jenkins stated that Jim Doyle will serve as the RWRD representative to CWAC.

**G. Future Agenda Items**

- Investment plan for cash reserves
- Continued discussion on future debt and rate increases

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

**I. Adjournment** – The meeting adjourned at 9:04 a.m.

**ACTION:** Rob Kulakofsky made a motion to adjourn the meeting. Alison Jones seconded the motion. The motion passed unanimously.