

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

Transamerica Building
Pima Association of Governments' 5th Floor Conference Room
177 North Church Avenue
Thursday, June 16, 2011

MEETING MINUTES

Committee Members Present:

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| Sheila Bowen | Kendall Kroesen | Armando Membriila |
| John Carlson | Rob Kulakofsky | Jackson Jenkins |
| Barbee Hanson | John Lynch | Jeff Biggs |
| Bob Iannarino | Amy McCoy | |

Committee Members Absent:

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| Brad DeSpain | Mark Stratton |
| Bill Katzel | Ann Marie Wolf |

- I. **CALL TO ORDER.** Chair Sheila Bowen called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:47 a.m.
- II. **CALL TO THE AUDIENCE.** There were no comments from the audience.
- III. **APPROVAL OF MINUTES.** The minutes of the May 19 meeting were approved.
- IV. **Citizens' Water Advisory Committee (CWAC) Update.** Amy McCoy reported that the committee had taken a break for the summer and would meet again in September. Ms. McCoy would provide an update on the rate increase issue after the September meeting.

V. DISCUSSION

A. Old Items/Updates

1. Director's Update. Jackson Jenkins gave a presentation and overview of the Regional Optimization Master Plan. The Ina Road upgrade and expansion is a series of eight GMPs (Guaranteed Maximum Price contracts) and also included a contract for pre-construction services. The pre-construction services and GMPs 1, 2, 3 and 4 are complete. GMP 5 is 53 percent complete and GMP 6, which is the lion's share of the work, is 21 percent complete. GMP 7 has not been finalized and is in the engineering and design phase. GMP 8 is 12 percent complete.

Bob Iannarino asked if the electrical substation was going to be run by Pima County or turned over to TEP. Mr. Jenkins stated that it was going to be run by Pima County.

Mr. Jenkins continued by saying that the overall project completion is at 26 percent and on track to meet the scheduled total completion date of October 2013 which is well ahead of the ADEQ compliance date of January 2014. There have been a few unexpected issues that have come up however. One of the issues is that nesting birds have used some of the free construction material at the site and have built nests in places where construction has been ongoing. The birds were allowed to nest and hatch their young and construction continued only after the birds left the area. Mr. Jenkins commented on the speed at which construction was proceeding. John Sherlock stated that often concrete was poured from midnight until two o'clock the following afternoon. Mr. Jenkins continued by stating that another issued being resolved was the fact that the newly constructed digesters are not perfectly round. Pima County is working with CH2M Hill and the contractor as it is the contractor's responsibility to solve this problem. These are floating lid digesters so a technical solution might be found and this rests with the contractor including any expenses incurred.

The Water Reclamation Campus is moving along well. It is starting to look like a nearly finished product though there is still a ways to go. A nine-cell box culvert was installed as it also provides drainage from the

interstate as part of a flood control effort.

Mr. Iannarino asked how much flood volume was expected for such a large culvert. Mr. Jenkins said that the area being serviced by the culvert was very large and had already been planned and designed by the Pima County Regional Flood Control District. The two departments then basically split the cost of the culvert given that it would serve both Flood Control and Wastewater needs.

Mr. Jenkins said that the design work was now at about 60 percent complete. The area had been fenced off and cleared and construction trailers were now on the premises. On June 28th there will be an official ground breaking ceremony.

Another important part of ROMP that is still in the evaluation phase are the biosolids and biogas components. At Ina Road, Pima County elected not to build a power plant and because the existing power plant would need extensive upgrades as well as the cost associated with permitting and it was important to reevaluate the whole process. There is currently a very balanced heat and power system at the power plant. The thermal and electrical needs are well matched. In the new system this is not the case. Economically it looks like the facility is better off with a Tucson Electric Power contract. There is also the intention of using some of the methane produced to provide for the thermal requirement but right now there are some interesting evaluations being done. Brown and Caldwell is conducting these evaluations and there is the potential that, regardless of what is done with the methane, it must be cleaned. If the methane is cleaned sufficiently, the market for putting in a gas pipeline and selling it commercially seems pretty interesting. This is especially interesting given the renewable energy credits and green credits possibility and the fact that some markets in California might pay a high premium for that gas. Pima County might then be better off running an electric heat pump system for our thermal needs and selling all of the cleaned methane. Again, this is still being evaluated. Biosolids are also being evaluated because it might be necessary to produce a Class A biosolid in the future and one of the primary methods to convert biosolids is through a heat process. Methane could be used for this conversion. Pima County has also sent out an expression of interest to the community to see if there are any other possibilities that have not yet been presented in order to make the best use of the biogas and biosolids.

Rob Kulakofsky stated that he would like to see the County investigate the carbon footprint of any final action taken regarding these evaluations. Mr. Kulakofsky continued by saying that any power coming from TEP comes from coal which is about the worst source of energy right now. Mr. Jenkins said that when RWRD started looking at the solar contracts that are currently in place part of the discussion revolved around the carbon footprint and other various consequences of alternative energy. Nothing has been finalized so the carbon footprint can still be factored in.

2. Budget Update. Ron Meck gave the budget update. The 2011/12 budget will be reviewed and hopefully adopted by the Board of Supervisors next week. The budget anticipates very little population growth. There is a scheduled increase of both the service fee and volume fees on July 1st. The rates are designed to cover the operating and capital needs of the department. Capital expenditures are normally funded by bonds but they must be paid back and this is the primary concern for the County. The next time the County will go out for funding is anticipated for August. The current year's budget, based on most recent information, shows an expenditure cap of \$72 million that was based on a BOS policy established March 9, 2010 which limited increases in the future to 3.4 percent over actuals. That gets complicated because that number cannot be calculated until the audit is complete. The audit typically is not complete until October or November. At this point it looks like the department is coming in under budget and, if equipment that has been ordered gets in on time, hopefully it will make it easier to control operating costs in the future. The current budgeted operating expenses were originally for 2011/12 and were going to be less than the current year. This was later modified and the department is going to receive just a little less than a one percent increase so the operating cap at this point is just a few thousand less than \$73 million. This small increase is due to efficiencies the department has implemented as well as controlling personnel costs.

The committee congratulated Mr. Meck on his June 17th retirement and thanked him for his support to the committee on financial issues.

3. Capital Improvement Plan Update. Mike Kostrzewski gave an update on the Department's capital improvement plan (CIP) and presented several slides detailing the various RWRD capital programs and projects. Mr. Kostrzewski began by summarizing the RWRD CIP programs. The three ongoing programs include Conveyance Rehabilitation, Conveyance Augmentation and Utility Modification program. The rehab program focuses on manholes, pump stations siphons and any pipes. The augmentation program is used when capacity issues arise and pipes must be upgraded. The utility modification program involves utility coordination meetings to determine what funding will be needed to accommodate any utility relocation due to road construction. The Security Master Plan, the SCADA Master Plan and ROMP are programs that have a limited life in that these programs have a completion date. The security plan came out of a study that was done by RWRD to upgrade security at all of the facilities including pump stations and outlying facilities. SCADA did not have a standard or a consistent platform in the past and this program allows for consistency that will tie into a central location where all plants can be monitored.

John Carlson asked what SCADA stood for. Mr. Jenkins said that it stands for Supervisory Control and Data Acquisition. Mr. Jenkins continued by saying that it included process control as well. Mr. Carlson asked if that cut down on the work force. Mr. Jenkins said that it did allow for more automation. John Sherlock added that the data acquisition portion of this program was extremely important as well because the data collected is used to optimize the system down to a minute scale. Mr. Carlson said that the expense for this program goes from \$2 million to almost \$5 million and levels off at around \$2.5 million and asked if that was expected to be perennial. Mr. Kostrzewski said that the program will eventually come to an end and that the maintenance on the SCADA system was part of the operation and maintenance provided for in the department budget. If there needed to be a future enhancement to this program then the department would create another CIP project.

Sheila Bowen asked which program odor control fell under. Mr. Kostrzewski said that there was no program specifically for odor control in the CIP. All the facilities are monitored for odor individually and this issue is expected to diminish considerably in the future. Mr. Jenkins added that not all of the projects within the department are put into a program. He said that there were a number of individual projects that stand alone within CIP. RWRD had done a pretty active campaign on odor to where the odor itself is now part of ROMP with many millions of dollars devoted to that issue.

Mr. Kostrzewski continued by summarizing some of the larger individual projects. Mr. Carlson said that a few years ago RWRD didn't have a decent handle on where problems were. He wondered in some of these larger projects were intended to get ahead of the game so that the system doesn't fail or if the department was playing catch up. Mr. Kostrzewski said that there were two phases with one being identification and the other is the evaluation of the data gathered.

Mr. Kostrzewski pointed out that there was a project listed as "Other Programs" which holds CIP projects that don't fall into any of the previous categories. The Santa Cruz Interceptor is just such a project. By June 30th of this year, RWRD will have completed \$33.5 million in non-ROMP work.

Mr. Iannarino asked about the Utility Modification program line item regarding Prince and I-10 and asked if that was for the mitigation for the interchange. Mr. Kostrzewski said that it was for the interchange work. Mr. Jenkins said that RWRD had four main lines going through that area and all lines must be rerouted and the \$2.8 million listed on that line item was money set aside for that work.

Mr. Carlson asked if the adopted increases mentioned earlier were enough to cover all of these programs and individual projects. Mr. Kostrzewski said that all of this work had been budgeted.

Mr. Iannarino asked what happened with any surplus funding from the CIP. Mr. Kostrzewski said that there was flexibility within the three ongoing programs to share that money within those three programs in the most effective way. Mr. Iannarino asked what happens to any surplus ROMP money. Mr. Jenkins said that any cost savings in ROMP will be saved and not spent on other projects.

John Lynch asked if the work on the Prince and I-10 Interchange would have any effect on the Phase III of the Santa Cruz Interceptor. Mr. Kostrzewski said that it will have no effect on Phase III. Mr. Lynch asked about Phase II and was told that Phase II was already included in the project. Mr. Jenkins said that there is a

pretty detailed plan of the expected work that was going to the BOS on June 21st.

Mr. Carlson asked if the department was pretty sure that what they budgeted would accommodate all future needs. Mr. Kostrzewski said that as far as defined projects the budget was adequate. Mr. Jenkins stated that the farther out the planning goes the more difficult it becomes to plan for what will be needed. Mr. Jenkins added that future maintenance and operation costs were always under discussion in hopes that the department can fine tune any future expenses based on current information. Mr. Sherlock added that part of the business model is to change the maintenance culture so that future needs can be more predictable.

4. Marana 208 Plan Amendment Update. Ed Curley gave a brief update on the Marana 208 Plan Amendment Update. Mr. Curley stated that the PAG Management Committee put the issue back on the Regional Counsel agenda last Thursday and there was discussion followed by a vote. The vote was 4-3 with one abstention which meant the plan would not move forward.

Mr. Carlson asked what was expected now. Mr. Curley said that there was no way to predict what the eventual outcome might be.

Mr. Lynch asked what would have happened had the vote ended with 4-4. Mr. Curley said that he believed the same outcome would have occurred given there would still not have been a majority vote. Claire Zucker confirmed this information.

Mr. Iannarino asked if the County was working on alleviating some of the concern in the private sector over capacity issues. Mr. Jenkins clarified this by saying that this issue had been addressed from the very beginning. The County submitted design reports and application in December of 2010 and was told that it would take at least eight months to review the material.

5. Economic Impact of Wildlife Viewing in Pima County. Dr. Paul Green from the Tucson Audubon Society gave a PowerPoint presentation on wildlife viewing in Pima County. The presentation included facts and figures stating the financial importance of wildlife viewing in the County and went further to detail the real draw of this activity in the beauty and diversity of the wildlife that call Pima County home for all or at least part of each year. Dr. Green ended his presentation by stating what the community can do to increase this economic driver for Pima County. The habitat resources must be protected and developed and this requires volunteers and funding which in turn provide the community with adequate facilities and information with which to enjoy this prospering activity. Dr. Green pointed out that the greatest immediate threat to this economic driver is change of land use in areas of high importance. Development must be directed away from areas that have high biological importance so that they can be used by the wildlife that need these areas. Keeping riparian areas wet as well as creating new areas is also very important. Maintaining wildlife linkages so that animals can move between these areas is also crucial. Climate change will change everything over time as well so that is also something that must be addressed.

Barbee Hanson asked if the recent wild fires had impacted any of these wildlife sites. Dr. Green said that it would take time to really assess the damage. The tree damage is the real concern though fire is part of the natural cycle.

Kendall Kroesen added that access to wastewater facilities was crucial for wildlife watchers and Pima County had been extremely cooperative in this respect and felt there might be more opportunities to work together in order to encourage wildlife viewing.

B. New Items. Ms. Bowen announced that the nominating committee had come to a decision regarding the election of new officers for the coming year. The nominating committee included Ms. Bowen, Mark Stratton, Bob Iannarino and Armando Membrilla. Ann Marie Wolf was nominated and accepted the position as Chair and John Lynch was nominated and accepted as Vice-Chair. A vote was taken and both nominations were approved. It was discussed that Ann Marie Wolf would have some scheduling conflicts for the coming year and would not be able to attend a few of the upcoming meetings.

VI. FUTURE AGENDA ITEMS. The next meeting will be held in August with the committee taking a break in the month of July. Other future items include the Effluent Utilization Report, RWRAC Annual Report, Biosolids and Biogas Master Plan presentation and a DBO status Update.

VII. CALL TO THE AUDIENCE. There were no comments from the audience.

VIII. ADJOURNMENT. The meeting was adjourned at 9:10 a.m.