

**WASTEWATER MANAGEMENT ADVISORY COMMITTEE
MEETING MINUTES**

May 20, 2004

Committee Members Present:

John Carlson	Bill Carnes	Brad DeSpain	Steve Halverson
Mark Stratton	Vernon Watwood	Ann Marie Wolf	Kathleen Chavez

Committee Members Absent:

Armando Membrila

Wastewater Management Department Staff Members Present:

Ed Curley	Paul Bennett	Roderick Gary	Suzy Hunt
Subhash Raval	Jerry Stratton		

- I. **CALL TO ORDER:** Chairman Mark Stratton called the meeting of the Wastewater Management Advisory Committee (WMAC) to order at 7:45 AM.

- II. **APPROVAL OF MINUTES:** The Committee approved the meeting minutes of the April 15, 2004 WMAC meeting.

At this point in the meeting, Mr. Stratton expressed congratulations to the Department Director, Kathleen Chavez, and her staff for the successful passage of the 2004 Voter Bond Authorization on May 18, 2004. He thought about 68 percent of those who voted in the Bond Election, voted for passage of the Sewer Revenue Bonds. Mr. Stratton felt the outcome of the vote indicated Pima County voters' confidence in WWM's plans for operating, maintaining, and rehabilitating the County's sewerage system. In addition, Ms. Chavez expressed her appreciation for WMAC member support of the Bond Initiative, and voter confidence.

Mr. Carlson commented that on the previous day, he had attended a meeting where the newly approved Bond Authorization was discussed, and concern was expressed about the impact of the four percent increase in Sewer User Fees (authorized by the Board of Supervisors on April 13, 2004) on monthly sewer bills. He said WWM staff had provided him with the information that the projected increase would raise sewer bills by about 50 cents per month (i.e., the average monthly sewer bill would increase from \$13.11 to \$13.61) effective July 1, 2004. Mr. Carlson felt it was important the public be informed of how low the actual increase was.

In addition, Ms. Chavez told Committee members that the Department's Bond Implementation Plan includes rate increases of six to eight percent annually over the next five years to support the 2004 Bond Program.

- III. **STAFF REPORT:** Paul Bennett reported on the following items:
 - **Personnel Changes.** John Schladweiler, Deputy Director of Engineering and Field Operations retired on May 14, 2004. On May 17, 2004, Subhash Raval became Interim Deputy Director for these Divisions. Mr. Raval has most recently worked as Development Review Manager for the County's Development Services

Department, and previously worked for WWM in the Industrial Wastewater Control Section.

In addition, Jackson Jenkins will assume the position of Deputy Director of the Treatment Division on June 1, 2004. Mr. Jenkins was formerly the Manager of Metallurgical Operations with the Phelps Dodge Corporation in Hurley, New Mexico. Ms. Chavez thanked Mr. Stratton for his participation on the panel that interviewed applicants for the Deputy Director of Treatment's position.

- **Sewer Revenue Bonds.** On May 18, 2004, Pima County voters approved \$150 Million in sewer revenue bonds. The newly approved bonds will not be sold until sewer user and connection fees are in place to support debt service associated with financing of the bonds. Mr. Bennett said the Department has approximately \$5 Million remaining of the 1997 Bond Authorization.
- **Water Infrastructure Finance Authority (WIFA) Loan.** On May 11, 2004, WIFA and Pima County entered into an \$18 Million loan agreement. On May 13, 2004, WIFA notified Wastewater Management (WWM) they had approved the Department's \$17.4 Million reimbursement request and that the County would receive the reimbursement funds by May 19, 2004. Mr. Bennett acknowledged the assistance of Michelle Campagne, WWM Controller, in getting the WIFA loan approved.
- **Refinancing of Existing Sewer Bonds.** Pima County refinanced \$24.8 Million in existing sewer revenue bonds. With the refinancing, WWM will save \$1.7 Million in debt service payments in FY2003-04, which will result in an overall savings for the Department of approximately \$600,000. Mark Stratton asked for a clarification of which bonds had been refinanced. Ms. Chavez responded most of the refinanced bonds were issued in the early 1990s.
- **Budget Forecast for FY2003-04.** Mr. Bennett said the Department's financial picture has improved, because of the WIFA loan, refinancing of the older sewer revenue bonds, and budgetary cost control measures undertaken. He added that staff continues to closely monitor the Department's budgetary cash flows, and current projections are that WWM may end the year with a positive end balance.
- **Comprehensive Management Audit.** Mark Stratton said that at the request of the County Administrator, he is a participant on the panel that has been asked to review/make a final recommendation on proposals submitted for the BOS approved comprehensive audit of the Department.

Jerry Stratton reported on the following items:

- **Randolph Park Water Reclamation Facility (WRF).** At approximately 5:00 PM on May 2, 2004, a flood event occurred at the Randolph Park WRF, which was caused when a valve failed to close on the potable water fill line to the process water tank. This resulted in the overflow of approximately one million gallons of water into the pipe gallery and blower room. The entire underground complex was flooded with about 14-feet of water in the lower level blower room and six-

feet of water in the upper level pipe gallery. All mechanical and electrical equipment in the underground complex was submerged. As the WRF was still under construction, PCL, the contractor for the project, and construction insurance are expected to pay damage repair costs.

In addition, Subhash Raval informed WMAC members that Department staff held two meetings with the WRF Construction Contractor on May 19, 2004, at the WRF. At the first meeting, the timeline for completion of the Project's final "punch list" was discussed. The second meeting included PCL's legal counsel and insurance representatives, and the focus was on evaluating the effects of the flooding on the Facility. At this meeting, insurance company representatives provided WWM staff with a certificate of coverage for repair of the WRF. The County is hopeful that PCL's insurance will cover all costs associated with repairing the Facility.

Ms. Chavez noted that the WRF was very near completion and had been producing approximately 300,000 gallons per day (gpd) of reclaimed water, when the flood event occurred. She said estimates are that WRF repairs will take about eight months to complete.

Committee members received, a copy of a report on the WRF flood event, which was submitted to the County Administrator and the Board of Supervisors. Steven Halverson asked what staff/security coverage had been available at the Facility, when the flooding occurred. Ms. Chavez responded the Department had staff at the Plant from 8:00 to 5:00 PM, seven days a week. PCL staff discovered the flooding when they arrived at 6:00 AM on May 3, 2004. She added that the WRF is now included in County Security staffs' daily security checks/rounds of County buildings/facilities.

- **FY 04-05 Wastewater Management Work Plan.** Mr. Stratton (Jerry) told Committee members that on May 3 and May 10, 2004, WWM staff met, and finalized the Department's FY04-05 Work Plan. Over the coming year, staff will use the Work Plan to evaluate and focus on the areas of regulatory compliance, sewerage system capacity, and asset management (e.g., physical assets and employee/ management relations).
- **New Federal Bureau of Prisons' (FBOP) Tucson Prison Facility.** Pima County entered into a Master Sewer Service Agreement (SSA) with the FBOP for construction of a new outfall sewer to serve the new Federal Prison. Mr. Stratton noted that under the SSA, the FBOP is required to fund all costs associated with construction of the sewer, in addition to payment of sewer connection fees. The Department has received all necessary funding for completion of construction of the temporary sewer that will connect the Prison Facility to the existing County sewer lines.

Ed Curley reported on **Capital Development Division (CDD) Activities**.

- **Marana-Honea Heights Colonia Sewer Construction Project.** The Department in cooperation with the Town of Marana and U.S. Department of Agriculture, Rural Development Division, is coordinating this Project to build a new sewerage system for the community of Honea Heights. All properties in this community currently use septic tanks for wastewater disposal. Rural Development awarded a \$990,000 grant to Pima County for this Project. Once sewer construction is complete, the Town of Marana will assist property owners and provide funds for costs associated with septic tank abandonment and connection to the new sewer.

Subhash Raval reported on **Treatment Facility Regulatory -- Permitting -- Activities**. He told Committee members that the comment period for the new **Aquifer Protection Permit Rules** would end May 31, 2004. In addition, he said Harlan Agnew, Deputy County Attorney, was assisting with preparation of the Department's comment/response to the Proposed Rules. Mark Stratton asked in their initial review of the Proposed Rules, staff perceived any significant changes from the Existing Rules. Ms. Chavez said, based on the Department's review of the most recent draft CMOM standards, no major changes were made.

IV. Committee Reports:

- A. Citizen's Water Advisory Committee (CWAC) Update.** No report was available. Mr. Watwood submitted his resignation as CWAC's representative to the WMAC at the April 15, 2004 meeting. The Department Director has requested that CWAC nominate another CWAC member to serve out the remainder of Mr. Watwood's term on the Committee.

V. DISCUSSION

A. Old Items/Updates.

1. WMAC Administrative Items.

- a. **Appointment of Nominating Committee.** Mr. DeSpain and Ms. Wolf volunteered to serve as the nomination committee, and will present the nominations at the July WMAC meeting.
- b. **Summer Schedule.** Mr. Stratton asked Committee members if they would like to have a reduced summer meeting schedule. A motion to cancel the Committee's June and August 2004 regular monthly meetings was unanimously approved by Committee members. In addition, Committee members decided to hold the regular July 2004 monthly meeting in conjunction with a tour of the Green Valley Wastewater Treatment Plant, and they also decided to hold the September 2004 Committee meeting at the Ina Road Water Pollution Control Facility in conjunction with a tour of this Facility. (Note: Following the meeting,

staff notified the absent Committee member of the revised summer meeting schedule.)

- c. **WMAC Appointment Update.** There was no new information to report about WMAC member appointments.
2. **2004 Bond Authorization.** See Staff Report above, for further discussion of this agenda item. Mr. Bennett responded to Committee members' questions about the Department's Bond Program. Mr. DeSpain asked about the availability of funding for the Marana 2004 Bond Authorized Projects (e.g., the projects to upgrade the Town's Wastewater Treatment Plant and installation of the sewer line from the Marana Airport to the Treatment Plant). Ms. Chavez responded the Department has 1997 Bond Authorization and low-interest financing through WIFA to complete the design phase of the Plant Expansion Project. The construction phase of the Project is included in the 2004 Bond Authorization.

In addition, Ms. Chavez said some of the remaining 1997 Bond Authorization would be used to finance purchase of a portion of the Santa Cruz Interceptor easements, and the 2004 Voter Bond Authorization will be used to finish construction of the Interceptor. Mr. Bennett added the Department will need additional rate increases to support the 2004 Voter Authorized Bond Program.

3. **2004-05 Budget.** Roy Garcia presented the Update on the Department's Operations and Maintenance Budget, and referenced information that Committee members received in their meeting packets. He noted that the Department's FY2003-04 Budgets for Wastewater and Solid Waste Management were revised on February 3, 2004. The Revised Budget for Wastewater includes expenditures of \$76,006,360 and budgeted projected revenues of \$95,917, 282.

On April 13, 2004, the BOS approved a four percent increase in Sewer User Fees and a six percent increase in Sewer Connection Fees, effective July 1, 2004. The Departments recommended Budget for 2004-05 includes Capital expenditures of \$993,700 and projected revenues of \$97,871,352 (approximately \$87 million is from User and Connection Fees). Included in the reduced expenditures for FY04-05 is a decrease in FTEs from 554.5 in FY 03-04 to 504.5 in FY04-05. Mark Stratton asked whether the Department had retained or eliminated the vacant positions represented by the 50 FTEs. Ms. Chavez responded these FTEs were eliminated. She said she plans to evaluate and prioritize the filling of the remaining vacant positions, once Karl Kohlhoff's Operational Audit and the Comprehensive Audit recommendations are received.

Mr. Garcia noted the Board of Supervisors are tentatively scheduled to consider the County's FY2004-05 Recommended Budget at the July 15, 2004 Board meeting.

B. New Business.

- 1. Research Program at Constructed Ecosystems Research Facility (CERF).** David Quanrud, Ph.D., presented the CERF update. Pima County is the primary source of funding for the CERF. The University of Arizona's Office of Arid Land Studies has conducted research at the CERF, in cooperation with WWM, since it was first constructed 1989. Dr. Quanrud informed WMAC members that the purpose of CERF research is to evaluate riparian and subsurface flow environments as methods to "polish" wastewater effluent; and, in addition, CERF research looks at the differential effects of potable water versus effluent on plant growth rates. Current research activities include the study of the effects of endocrine disrupting compounds (e.g., birth control pills) on water quality. WMAC members received copies of Dr. Quanrud's presentation.

Mr. Carlson asked whether there were any other facilities equivalent to the CERF in the United States. Dr. Quanrud responded that he felt the CERF was a unique institution, primarily because of the length of time research has been conducted on a mature wetland system. Mr. Carlson also asked if any Federal agencies had contacted the CERF for information about research activities, and whether CERF received any Federal funding. Dr. Quanrud responded that the Environmental Protection Agency had visited the CERF in Fall 2003, and expressed interest collaborating on some research activities. He added that the CERF receives no Federal dollars for its operation; Pima County is the primary funding source.

- VI. FUTURE AGENDA ITEMS.** Election of Officers, WMAC Annual Report to the Board of Supervisors; 2004-05 Budget Update; Solid Waste Division Update; Regulatory Update; Tour of Green Valley Wastewater Treatment Plant.

- VII. CALL TO THE AUDIENCE.** At this point in the meeting, Mr. Raval said that the American Public Works Association sponsors American Public Works Day, which was being held on the same day as this meeting. He extended an invitation to Committee members to attend the Day's activities, which began at 10:30 AM at the City-County Main Public Library.

Suzy Hunt, WMAC Coordinator, said at the April 15, 2004 WMAC meeting John Kai, President of Avra Gro, offered to provide WMAC members with tours of the Biosolids Management Program. She said so far no requests for tours had been received. Committee members were asked to contact Ms. Hunt or Prakash Rao, if interested in scheduling a tour.

There being no further response, Mr. Stratton adjourned the meeting.

- VIII. ADJOURNMENT:** The meeting adjourned at 9:00 AM.