

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

Transamerica Building
Pima Association of Governments' 5th Floor Conference Room
177 North Church Avenue

Thursday, September 17, 2009

Committee Members Present:

Jim Barry	Adam Bliven	Bill Katzel	Mark Stratton
Sheila Bowen	John Carlson	Rob Kulakofsky	Ann Marie Wolf
Jeff Biggs	Barbee Hanson	Corey Smith	

Committee Members Absent:

Brad DeSpain	Marcelino Flores	Mike Gritzuk	Armando Membrila
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Staff Present:

Ed Curley	Eric Wieduwilt	Mary Hamilton	Harlan Agnew
Diana Hofsdal	Kristin Borer	Melaney Seacat	Charles Wesselhoft
Jackson Jenkins	Sandra Current	Karen Ramage	
Jeff Nichols	Laura Fairbanks		

Guests:

Tom Burke, Pima County Finance Director
Melodee Loyer, Engineering Manager, City of Tucson
~~Ray~~ Dan Uthe, Deputy Chief, City of Tucson Fire Department

- 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 Committee unanimously approved the minutes of the August 20, 2009 RWRAC meeting.
- IV. **COMMITTEE/SUBCOMMITTEE REPORTS**

A. Citizens' Water Advisory Committee (CWAC) Update. Jim Barry, CWAC Chair, advised that the CWAC received the 2009 financial results. The results indicate that they were \$127,000 below the March estimate. Since 2005 the peak day sales have gone from 165 million gallons per day (mgd) to 131.2 mgd now. This reduction in sales has had an impact on revenues: 70% of revenues come from sales.

Also discussed was the possible sale of Tucson Water infrastructure to the Town of Marana. The CWAC recommended that the Mayor and Council approve a request for quotes to put a value on the assets. The CWAC felt that more information was needed before a decision could be made. The CWAC is going to review where the water comes from if the pipes are sold. The CWAC also wants to investigate whether the Tucson Water customers in Marana want to be Marana Water customers.

The CWAC had an in depth presentation on Growth, Urban Form and Annexation. Stantec and Curtis Lewis made a presentation on what options for urban form there are if there were 2 million people living in the Tucson basin. They looked at the importance of density as a planning principle and developed four scenarios.

The CWAC also received a presentation on the Conservation Program for 2010 and reallocation of \$800,000.

V. DISCUSSION

A. Old Items/Updates.

1. **Water Infrastructure, Supply and Planning Study.** Melaney Seacat, Coordinator, distributed the agenda for the next committee meeting. Tonight is the last meeting for the committee to receive presentations on the technical reports. The final three papers will be presented: *Environmental Needs for Water*, *Water Quality* and *Additional Water Resources*. There will be four report writing meetings: October 1, October 15, November 12 and November 19. Two reports will be completed: a staff report and a committee report. The draft staff report will be presented on October 1, and will be open for public comment from October 8 until November 6. A facilitator will be hired to work with the committee on the committee report.

2. Regional Optimization Master Plan Update. Eric Wieduwilt, Deputy Director, provided an update on the current status of the ROMP.

- **Ina Road WRF Upgrade/Expansion.** The project is approaching 60% design.
 - Guaranteed Maximum Price (GMP). GMPs have been issued for equipment purchase of a gravity belt thickener and odor control devices. Final negotiations for the installation of the equipment are underway. There are also other GMPs being developed, such as constructing two digesters and control building for the interim biosolids project. Also, they are going forward with GMPs for steel, concrete and earthwork. This project is on schedule and on budget.
 - Energy Recovery Facility. This project will take biogas, solar and electrical power to power the plant. Procurement was advertised on September 8 and will take approximately one year to complete the procurement process. The project needs to be completed by the end of 2012 when the Plant Interconnect and Ina expansion phases come online.
 - Solar Energy Project. There is already a 1 megawatt solar project under construction north of the Roger Road WRF. Negotiations are underway for a 2 megawatt site at the Ina Road WRF.

Mr. Barry asked what portion of the Ina Road property will be used for the solar project. Jackson Jenkins said that an old gravel pit which is right next to the emergency overflow basins and adjacent to the landfill will be utilized.

- **Plant Interconnect.** 9,100 feet of pipe has been installed to date. Construction has started on the siphon boxes next to the Rillito River and the Canyon del Oro wash. The wash work will be done in November. RWRD is going to the Board of Supervisors for a deductive change order. A \$300,000 savings will be realized by changing pipe material from ductile pipe to coated steel. We want to make sure the Board and community know that RWRD is doing everything possible to keep costs down. The project is on schedule and expected to be completed by December 2010.
- **Water Reclamation Campus.** This project is moving forward as a recommended design-build-operate (DBO) delivery method. On October 6, 2009, the Board of Supervisors will be presented with the final three entities selected. At that time, it is anticipated that the DBO delivery method will be confirmed. DBO is the most cost-effective and delivery-effective method. There has been several years of study and analysis on the benefits of alternative delivery methods. In this case DBO meets the schedule necessary for regulatory compliance by January 30, 2015. It is critical to receive the support to move ahead. The analysis by Greeley Hanson to use design-bid-build put the project 1.5 years beyond the compliance date. These are planning numbers, but it is the best information available to assess and move forward. Some advantages of DBO are:
 - Three entity short list. The firms will take a year completing a preliminary design, investing \$1 million to \$2 million each. The reimbursement for honorarium is minimal compared to the investment numbers. When they present their final solution, we expect them to be very competitive after they have spent a year and \$1 million to \$2 million. None will want to lose the job because they bid too high or wanted too high a profit. The DBO method will give us the lowest price and take advantage of the economic conditions we are facing.

John Carlson asked about the reimbursement. Mr. Wieduwilt said it is about \$40,000 or 0.05% of the construction budget. We will also be evaluating them on a technical basis, but cost will be a portion of the final analysis. [*Note: actual honorarium is \$480,000 or 0.2% of the construction budget.*]

- Employment of staff. There will not be a loss of staff due to this delivery method. 50%-100% of the operations staff at the new Water Campus will have an opportunity to accept employment with the private entity that takes over the operations.

Mr. Carlson asked what the length of the contract is. Mr. Wieduwilt said that it is a 15-year contract with a five year renewal at our option.

Ann Marie Wolf asked how the system will work when there is a private entity managing one of the main facilities. She does not see the advantage when there are two different entities operating the system. This seems like the first step to privatization. Mr. Wieduwilt said that he does not believe that privatization is the way to go. We feel that we can manage and operate these facilities. However, with the time frame we have to bring the plant on line, the fact that it is a green field plant, brand new and unique, we feel that we have an opportunity to take advantage of the "O" side of DBO to provide a product, meet our budget and meet our schedule, allowing us to meet our compliance date.

Mark Stratton asked how the operation side affects the schedule. Is the technology of the new facility such that our operators will not be able to operate something of that high tech nature? Mr. Wieduwilt said that our staff will be operating a Bardenpho® process at the Ina Road WRF, which is the preferred design alternative for this plant. It is not the

technical nature, but the analysis of what we could do with the schedule to meet compliance. We looked at design-bid-build, design-build and design-build-operate. From a financial and schedule standpoint, DBO was the vehicle that would meet all of the criteria that we had established.

Ms. Wolf asked if, over 15 years, how will the entity make their profit. It seems that they will have to pay lower wages, lower benefits or cutting back on safety. They also have the ability to renegotiate every three to four years. She does not see the advantage. Mr. Wieduwilt said that we can get more information to the Committee as to the rates, the pass through charges, such as electrical. They will build in their profit on the area that they know how to manage. The firms evaluated are international firms and have been in business for many years. They know how to run a wastewater treatment facility and water treatment facility profitably and taking care of employees and safety. We looked at safety records very closely. They all have very high safety records. It is a big concern of theirs as well. He asked what information the Department can give to the Committee to make them feel comfortable with the firms and general approach. We felt that they will provide a quality product, meet permit and will treat their employees and the environment respectfully.

- Laboratory. Due to the accelerated schedule at the Ina Road WRF, staff are currently occupying buildings that are part of the rehabilitation project. Therefore, the buildings need to be vacated quickly as to not delay the schedule. We are moving ahead aggressively with evaluation of design-build delivery method for the laboratory and staff facilities for the Compliance Regulatory Affairs Office and training center, which must be completed by 2012. It will be located north of the water campus and is a \$17 million to \$20 million project.

Mr. Barry asked about procurement on one contract that will take a year. Mr. Wieduwilt said that was correct. It is a two stage DBO process that will take a year. Mr. Barry asked if there is a simple graphic that lays out the whole ROMP program over time that the Committee can look at while presentations are being made. Mr. Wieduwilt said that he has one and will bring it to the next meeting. It shows key elements with time charts of design and construction.

Corey Smith said that it would be useful to get a 5-10 year look ahead. Today there are 500 employees, as DBO is done on one facility, then on another, what the structure will look like in terms of head count and in terms of what the county will be left with in terms of county based employees versus contract-related employees on a DBO basis. If it is cheaper, meets specifications and they absorb the risk, why not do it across the entire organization. What's the rationale for short-term and why it wouldn't work everywhere else. Mr. Wieduwilt said that the estimated staff level for the new water reclamation campus is 15-25 employees and the energy recovery facility is approximately three. This is a small portion of our current staff.

- 3. System-Wide Odor Control Program Update.** Jackson Jenkins, Deputy Director, gave the Odor Control Program update. There have been some difficulties with some of the upgrades at the Roger Road WRF: some vac units failed. In the ducting system at the joints there has been a high level of corrosion. They will have to coat the joints to control the corrosion. These are maintenance efforts to keep the system running for the next five years.
- 4. Financial Update.** Jeff Nichols, Division Manager, Pima County Finance, gave the financial update. On December 1 they will discuss economic activity and connection fees with the Board of Supervisors. They would have liked to align the Financial Planning process with that meeting, but it isn't a good fit.

The Board will also be updated on the Sewer Outreach Subsidy (SOS) efforts. He has been working with Pima County Community Action Agency to gather data. The current figure from the census data indicates nearly 50% of the population in Pima County lives in rental units. He is trying to get data to support his assumption that a large portion of that population would be eligible but do not pay their own sewer bill.

The tentative date for presentation of the FY 2009/10 RWRD Financial Plan to the Board of Supervisors is February 16, 2010. This date does align with operations and maintenance budget and the Capital Improvement 5-year plan process. The rate increase set for January 2010 is in place, assuming that the connection fee information brought the Board of Supervisors remains constant, more than likely the rate increase in January would be 12.75% to the flow and \$1.50 to the service fee. That brings the average (based on 8 ccf of water) wastewater fee to \$29.08. Of that \$9.82 would be related to the service fee. The fixed fee and the rest would be related to the flow fee.

Raftalis has been provided with FY 2008/09 actuals for the Department and the FY 2009/10 budget. They have also been given customer billing information, the influent flows for all of the plants and sewage strength numbers. The Department is going to look at sewage strength again as the residential strength is going up

and the commercial strength is decreasing due to the IWC efforts. The FY 2008/09 RWRD Financial Plan assumptions will be reviewed to see if they are still valid for the FY 2009/10 RWRD Plan or if they need adjustment or replaced.

In response to a question at the August 2009 RWRAC meeting regarding amount paid to Raftails, the total paid since March 2006, is \$442,128. Specifically, in FY 2008-09, Raftalis was paid \$132,948.59. The estimate from Greeley and Hanson regarding Raftalis' work on the FY 2009/10 Financial Plan is \$99,824. This includes \$22,400 for miscellaneous consulting that may or may not be associated with the Financial Plan. Both the Raftalis and Greeley Hanson contracts were reviewed, and there may not be much left in the current contracts for that level of effort, so it may be significantly less.

Mr. Barry asked when the RWRAC becomes involved and what the RWRAC role was in the Financial Planning process.

Mr. Nichols said that the Committee will become involved during the budgeting process, which will begin in October.

Mr. Bliven said that, in the past, the RWRAC role is to recommend the Board of Supervisors whether to either approve the budget or not, and to get feedback from the public as to how the budget looks to the public. They have helped the Department present and justify a budget that makes sense to the public, but the committee does not tell the Department how to spend money.

Mr. Carlson said that it would be the Committee's responsibility to speak up if there were any issues.

5. Annual report to the Board of Supervisors. Ed Curley, Strategic Planning Section Manager, gave an update on the Annual Report to the Board of Supervisors. A draft of the Annual Report was distributed to the Committee. Several of the Committee's ideas were included, such as the noting votes on various topics. He asked the Committee to review the Report and advise him in the next week of any comments or suggestions. The final version will be finalized with Ms. Bowen and sent to the Board of Supervisors.

B. New Business

1. Funding for Green Valley Household Hazardous Waste Collection. Ms. Bowen asked Chuck Wesselhoft, Deputy Pima County Attorney, for clarification as to the Committee's role in the Household Hazardous Waste (HHW) Program, if any. Mr. Wesselhoft said that RWRD funds Pima County's part of the HHW Program. The Committee can advise the Board of Supervisors as to whether the Committee feels the level of funding is appropriate. That is the limit of this Committee's authority.

Bill Katzel, RWRAC member, said that he sits on the environmental Committee of the Green Valley Coordinating Counsel (GVCC), an umbrella agency for 65 homeowners associations in Green Valley. The HHW Program in Green Valley has been going on for ten years. He was asked, as a member of the RWRAC, to spearhead equitable readjustment as opposed to 100% dissolution of that program due to Pima County's cut of 10% of their share of the HHW Program. The City of Tucson and Pima County both contribute \$250,000. The total cost of the Program is \$500,000. The Pima County Administrator asked the HHW Steering Committee to take a 10% cut. The Committee, with Ann Marie Wolf as the Chair, was given a short amount of time to do so, so they cut the outlying programs. Green Valley was one of the outlying programs. Green Valley had two collections per year; the next is scheduled for October 17. There has been a series of memos between Supervisor Ray Carroll and the County Administrator (copies have been provided to the Committee). His testimony today is moot, as the County Administrator's last memo (dated September 14), says that he cannot come up with any more money for the program. If relief is sought, they need to go before the Board of Supervisors and get an adjustment in the County budget. He has spoken to four of the five Board of Supervisor's members. There is an action item on the October 6 Board agenda. He would like this Committee to recommend a more equitable redistribution of the Program rather than cutting out 100% of the outlying districts, including Green Valley.

Ms. Bowen said that this Committee does not have a role to direct the HHW Steering Committee in what it does.

Mr. Katzel said that the Department is the funding agency for the Steering Committee.

Ms. Bowen said that Mr. Huckelberry said that there is no additional funding.

Mr. Katzel said that Mr. Huckelberry's memo of September 14 suggests taking part of the collection site at 440 W Calle Concordia, which primarily serves the Oro Valley community, and redistribute it. Mr. Huckelberry also said "The budget adopted by the Board does not contain any additional funding for the Household Hazardous Waste Collection Program, and would have to be amended by the Board to include the same... Given the regional nature of this activity and funding only from the City of Tucson and Pima County dedicated for this purpose, I cannot support any additional funding appropriations." He feels that this Committee still has some sort of advisory or recommendation

for the County's funding share of the Program.

Ms. Wolf said that our [the RWRAC] role was explained to us. She asked Deputy Chief Dan Uthe from the City of Tucson Fire Department, who oversees the program, to be present in case the Committee has any specific questions on the budget or the program. She said that Mr. Katzel described the situation as it happened: the Steering Committee had received indications that they would receive full funding throughout the year. Two weeks before the City of Tucson's budget was due, they were told that they were going to take a 10% cut. Staff was asked to come up with a reduction plan to meet that 10% need. They held an emergency meeting a week later and approved the staff recommendation to cut all outlying outreaches, including the two in Green Valley, one in Oro Valley, two at Raytheon and six to eight throughout the City of Tucson, 10-12 collections per year in total. Along with that, all printing costs and materials were cut, and they substantially cut supplies. The City of Tucson will be supplementing the supply budget. They added a \$5 fee to the paint that is distributed to try to cover some of the budget cuts. The bigger issue is that Mr. Huckelberry has indicated another 10% cut next year. That will substantially curtail what the program does throughout the County.

Mr. Katzel said that he wanted to impress upon this Committee the potential consequences of this kind of meat ax approach: 13,000 plus pounds, 900 cars, 1,000 families and the 50 volunteers that staff the last pick up. That hazardous waste has to go someplace. It will either stay in the individual homes raising the risk of fires; into the trash collection, which goes into the landfill and eventually filters into the aquifer; liquids will go down the drain and into the sewer system; or be incinerated and produce toxic byproducts. There are safety and health consequences of cutting a program like this. They wouldn't have minded a proportionate cut, but 100% was cut from one of the most cost effective programs in the United States.

Ms. Bowen said that this Program is entirely funded by the Wastewater budget. Mr. Katzel pointed out that there are also flood control, solid waste and air quality ramifications, but none of those Departments fund this Program.

Mr. Wieduwilt said that the Department had to cut \$5.5 million from the operating budget in a short time. Everyone is impacted by budget cuts. The Department is fully supportive of this Program, and would like to see it move into pharmaceutical pickups as we evolve into addressing some of the other contaminants discarded by the public. It was a budget cut the Department had to make. The Department does believe that there could be a more equitable distribution of contributions from both within Pima County and in the community as a whole. Hopefully this will result in a better foundation of support so it is not so dependent on one or two Departments to keep it a viable operation. The Program has regional impact.

Mr. Barry asked how much money was being discussed.

Mr. Katzel said an estimated \$10,000: \$5,000 per semi-annual pickup. That figure is being refined slightly downward.

Mr. Smith asked if, from a Pima County perspective, it was a \$60,000 cut for outlying areas.

Ms. Wolf said that \$10,000 was just for the Green Valley outreach.

Mr. Smith said that if we were to consider making a recommendation, the Committee should do it on a broader basis than just Green Valley. His understanding is that 90% of the items collected are available for drop-off at the Sahuarita Refuse site which is 4 miles from downtown [Green Valley].

Mr. Katzel said that the problem is the average age of the population is 70 years old. 50 volunteers that helped unload that are not available at the Sahuarita Landfill. There is no assistance - you have to manually throw your disposable stuff.

Mr. Smith said that, as an alternative, volunteer drives could be held at the Landfill. He asked what would happen if the Board of Supervisors doesn't approve the funding.

Mr. Katzel said that he delineated the potential consequences before. The waste is going to go someplace.

Mr. Smith asked if the 50 volunteers would do some type of program twice a year at the landfill.

Mr. Katzel said probably not, but he could not speak for the GVCC volunteer base. The October 17 collection is the immediate concern as it is organized and ready to go, but there are no funds for it.

Barbee Hanson asked Mr. Katzel if the residents of Green Valley, at an average age of 70 years old, can't get rid of this from their house, how did they get it in?

Mr. Katzel said he assumed they received household assistance to get it into their vehicle to take to the common

area for disposal. It [the cost of the Green Valley outreach] is a nominal amount and he appreciates the constraints everyone is going through. He is just looking for equitable cut, not a 100% cut.

Adam Bliven said that he feels that there is a Steering Committee that oversees this HHW Program and he does not feel it is proper for this Committee to tell the Steering Committee how they should distribute the money. From that perspective, if we want to tell the Board of Supervisors that we think that this program should be funded at a higher level, he could support an idea like that. But to recommend that the Board of Supervisors should take a dollar amount, push it through this Committee and send it to a certain community sounds like pork-barrel projects or earmarks in Washington DC. It stretches our authority.

Ms. Bowen agreed. She said that if a request is made from this Committee she would encourage the Board of Supervisors to consider other Departments to fund this in an equitable manner.

Mr. Barry asked Chief Uthe how much the City of Tucson cut.

Chief Uthe said that the City cut 10% as a result of Pima County cutting 10%, as it is a 50-50 match.

Mr. Barry asked if the idea is that if the economy gets better, will the Program be funded at the full level again.

Chief Uthe said that should be asked of the Board of Supervisors and Mr. Huckelberry.

Ms. Wolf said that the City of Tucson has gone on record saying that if the County increases their funding, or if donations come into the Program, the City will raise their funding this fiscal year.

Chief Uthe said that was correct. He said that Green Valley is at the top of the list to be put back into the Program. If the County came up with \$5,000 the City would match it.

Mr. Barry asked if the Steering Committee wanted to address this issue.

Ms. Wolf said that the Steering Committee has been addressing this issue every day for the last two months. The Committee doesn't care where the County gets the money from - like Intergovernmental Agreements (IGAs) with other municipalities, such as Oro Valley. The Steering Committee recommended that 10 years ago. The immediate issue they dealt with was the 10% cut. They are starting long range planning, assuming that there will be another 10% cut next year.

Mr. Carlson said that he is very interested in this, but is uneasy about what should go through this Committee. There has been discussion before about drugs going down the toilet. That was very appropriate and there is a body of information that is starting to build that says this could be very serious in the future. He is supportive of any program, but is unsure how much time this Committee should spend on it.

Mr. Barry asked if there was a motion on the table.

Ms. Bowen said there was not. She said that she understands that decisions are made at a higher level. Perhaps this Committee could put forth its recommendation that the Program be supported, but that the funding be provided equitably through the jurisdictions and the different Departments.

Mr. Stratton said that he was going to make a motion to that effect: That we ask the Supervisors to fully fund this Program and to spread the costs across other Departments, not just Wastewater, on a County-wide basis and to cooperate with other municipalities and form IGAs so that others, such as Sahuarita, Marana and Oro Valley, can participate. He would like that to be a motion.

Ms. Bowen said that the motion was that the Committee support the County supporting this effort with full funding of the County's portion, but equitably distributed among County Departments.

Mr. Kulakofsky said to add trying to coordinate with municipalities within the County to form IGAs to help fund this Program.

Mr. Smith said it would be good to add that the Committee is supportive of the merits of the Program and the removal of hazardous items.

Mr. Bliven seconded the motion.

Ms. Bowen asked for discussion.

Mr. Barry asked if the County put in \$60,000 again, would the City put in \$60,000 again. [NOTE: *The actual budget*

cut was \$34,000 Pima County and \$34,000 City of Tucson for a total of \$68,000.]

Chief Uthe said yes, they would.

Mr. Barry said that he supports the HHW Program, but will vote no as he feels that this is beyond the scope of this Committee. If the motion were more general, such as to support the Program and hope that it get back to full funding as soon as possible, he would vote for that. Until the Committee is ready to recommend where cuts should be made from to get the \$60,000, he doesn't feel that this Committee should be making this kind of recommendation.

Ms. Bowen asked if that was a suggested motion amendment.

Mr. Barry said no.

Mr. Carlson said that this Committee should stay within our jurisdiction. As individuals we can go to the Board and say what we want - he would say it twice as strong. But, as a Committee member, he is reluctant, except for general support.

Ms. Bowen called for a vote. The motion failed, 3 yes, 6 no, 1 abstain (Ms. Wolf abstained as she is the Chair for the HHW Steering Committee).

Mr. Carlson asked if they wanted to try the substitute motion, showing general support.

Mr. Barry said yes.

Mr. Carlson seconded.

Mr. Kulakofsky asked if they could add that other County Departments take part in funding the Program.

Mr. Barry asked why that hasn't happened in the past.

Chief Uthe said that he has been involved with the program since 1986, when there were one day outreaches. In 1989 the City and County created the Program. At the time, City Solid Waste paid for the City half, and the County Wastewater/Solid Waste paid for the County half. Solid Waste was under Wastewater at that time.

Mr. Wieduwilt said that Solid Waste had moved to Pima County Department of Environmental Quality, but the funding stayed with Wastewater.

Ms. Bowen said that this Committee does not have any authority to direct the Board of Supervisors in what they consider and how to obtain funding, but as a Committee we can express our general support and encourage the Board to find a way to fund it, and recommend that it not entirely come from the Wastewater budget as it directly impacts other County Departments, not just Wastewater.

Mr. Barry said that his motion doesn't include that the money come from other Departments. He thinks that we should say that the Committee supports the Program, and hope that it comes back to full funding as soon as possible. There are huge budget decisions that have to be made.

Ms. Bowen restated that the motion was to express the Committee's support for the program and full funding as soon as possible.

Ms. Bowen called for a vote. The motion passed 9-0, 1 abstain (Ms. Wolf abstained).

VI. FUTURE AGENDA ITEMS. FY 2009/10 Financial Plan; Regional Optimization Master Plan Update; System Wide Odor Control Program Update; Water Infrastructure, Supply and Planning Study Oversight Committee; Treatment Operational Update.

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

VIII. ADJOURNMENT. The meeting was adjourned at 8:48 a.m.