

## REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

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

**Thursday, November 19, 2009**

### Committee Members Present:

Jim Barry	Marcelino Flores	Mark Stratton
Sheila Bowen	Barbee Hanson	Ann Marie Wolf
John Carlson	Rob Kulakofsky	Chris Avery for Jeff Biggs

### Committee Members Absent:

Brad DeSpain	Armando Membrila	Mike Gritzuk
Bill Katzel	Corey Smith	

### Staff Present:

Ed Curley	Jackson Jenkins	Mike Kostrzewski	Charles Wesselhoft
Diana Hofsdal	Kristin Borer	Karen Ramage	
Jeff Nichols	Mary Hamilton	Melaney Seacat	
Eric Wieduwilt	Gregg Hitt	Lillian Von Rago	

### Guests:

Melodee Loyer, Engineering Manager, City of Tucson  
Linda Smith, City of Tucson

- I. **CALL TO ORDER.** Chair Sheila Bowen called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:52 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 October 15, 2009 RWRAC meeting.
- IV. **COMMITTEE/SUBCOMMITTEE REPORTS**
  - A. **Citizens' Water Advisory Committee (CWAC) Update.** Jim Barry, CWAC Chair, reported that the CWAC is in the financial update planning process. The CWAC Committee's major focus is the budget.

Chris Avery, City of Tucson Water, said that the miscellaneous fees were not going to change a lot this year and that there are a few miscellaneous fees that would be added to the portfolio.

Mr. Barry said that the CWAC Committee recommended that the Mayor and Council approve the miscellaneous fee structure.

Mr. Avery said that to date, Tucson Water revenues have remained fairly consistent with the financial plan.

Mr. Carlson asked if there was a difference between fees and rates. Mr. Avery said yes. An example of a fee is if you come in with a master plan for review. Rates are the charges for water service.

Mr. Carlson asked what the rates were expected to do. Mr. Avery said that last year's financial plan envisioned a 10 percent increase in water rates this year. Based on expenses thus far, the Central Arizona Project (CAP) rate has not changed.
- V. **DISCUSSION**
  - A. **Old Items/Updates.**
    1. **Water Infrastructure, Supply and Planning Study.** Melaney Seacat, Study Coordinator, reported that the Study has entered the public comment period for the Phase 2 report. There was a very good turn out and dialog at a recent open house. The public comment period has been extended to December 4, 2009. The Committee decided at the last meeting that there would be a single report as opposed to two reports as she discussed at previous RWRAC meetings. There will be a distinct Committee element and a distinct staff recommendation element. It will go before the Board of Supervisors and Mayor and Council in January 2010. There was not time to have a joint meeting with the RWRAC and CWAC. The report is available online.

There are 19 goals with 54 recommendations to implement those goals. These are categorized in four major categories: Comprehensive Integrated Planning, Respect for the Environment, Water Supply and Demand Management.

Mr. Barry said that there is a comprehensive, well thought out set of goals and recommendations that the City and the County have agreed to, which was one of the major goals of Phase 2. His opinion is that the Committee will be unable to produce a unanimous report, but there will be a majority, with a possible minority report. He also does not feel that there will be unanimity on the action plan. There may be a majority, or a majority with some members with reservations, or a minority report in which members feel that the recommendations are inadequate.

Marcelino Flores said he has recognized that there are interrelationships among jurisdictions and utilities. It seems that the unresolved issues seem to be getting bigger in terms of energy/water nexus and rate structure. For example, Tucson Water's [proposal of] 10 percent rate increase for users and unchanged fees [for development] does not support the notion of growth paying for itself. They [Water Study Committee] are trying their best to emphasize where they do agree. One question is where we go from here as the Study is done.

Mr. Carlson said that the Committee shouldn't have unanimity. Different viewpoints are needed. The committee is not trying to quantify the Water for the Environment issue. The issues will be decided by a political process in the future and the process changes every five years.

Rob Kulakofsky said that they agree more than they disagree. There will be things that the Committee disagrees on, but agreement could be reached on others by modifying some wording. He is more hopeful than Mr. Barry for consensus.

Mark Stratton said that he agrees with Mr. Barry that there are some contentious issues. At the meeting tonight there may be some vocal responses to some issues as they are coming to the final crunch to get the report done. He does agree that not having 100 percent agreement is a good thing. All sides of the issue need to be presented and heard.

Mr. Barry said that he didn't mean to imply that not having unanimity was a bad thing. The report will accurately reflect the Committee and the issues that a regional dialog on water and wastewater issues will face. Minority and majority reports and strong dissent accurately reflects the committee.

Mr. Carlson said that the report will be good both for the political aspect and public education.

Mr. Barry said that regardless of the level of agreement or disagreement, the fact that the City and the County have come to agreement on an action plan with 19 goals and 52 recommendations is historic. He hopes that they go forward and implement the plan.

Mr. Carlson said that, without expressing support for it or against it, he pushed for an examination for a combined utility district in the Tucson Basin.

**2. Regional Optimization Master Plan Update.** Mike Kostrzewski, Capital Improvement Program (CIP) Project Manager, provided an update on the current status of the ROMP.

- **Plant Interconnect.** Presently 83 percent of pipe has been installed. Two wash crossing structures are nearing completion; siphons are waiting on steel pipe and waiting for delivery of pipe in early December. Currently the project is under budget by approx \$385,000 and ahead of the scheduled contract completion date of October 2010. At the current construction pace this project could complete by July or September, 2010 unless the contractor runs into unforeseen circumstances, such as a wet winter.
- **Water Campus - Ina Road Diversion Structure.** The Design contract was awarded this month to Brown & Caldwell. The work is scheduled to be completed February 2010. Under the Construction Manager at Risk (CMAR) amendment, it is scheduled to be awarded in March 2010 to the Interconnect CMAR contractor, and construction to commence in April 2010. This is a critical structure as it splits the flows between the Ina Road and the Roger Road Water campus.

- **Ina Upgrade and Expansion**. There are several Guaranteed Maximum Price (GMPs):
  - GMP #2 for equipment purchase and GMP #3 for installation of a gravity belt thickener and odor control equipment. These were awarded in September and November respectively. CH2M Hill is reviewing equipment submittals and they should be approving in December with construction starting about the same time. The overall saving is projected at \$8,000.
  - GMP #4 for earthwork was awarded in November. It provides for the initial removal of over 300,000 cubic yards of dirt to be excavated at the Ina Road site. The bid for this work was \$3,000,000 less than the engineers estimate. It is anticipated to be underway in December after the State's office of Archeological approval is received. Also, over 220,000 cubic yards of this soil will be delivered to the Water Campus site to start raising the site out of the 500 year flood plain and this forgoes the cost of purchasing this fill.
  - GMP #5 for Interim Biosolids Digester Complex GMP was award to the CMAR for \$20.4 million. This is under the engineer's budget by approximately \$1 million. Construction is scheduled to begin in December or January.

An Amendment for commodities was approved by the BOS in November for concrete and steel. The low concrete bid from three bidders was \$66.75 per cubic yard from CEMEX. The bid was \$33.25 lower than the engineer's estimate of \$100 per cubic yard will result in a saving of approximately \$1.8 M. To reduce the risk of steel price volatility the Department solicited bids for rebar. Two bids were received and the Department has entered into an agreement with CMC Rebar, the lowest bidder.

- **Ina Road Design**. The design has reached the 60 percent completed milestone. The CMAR has provided the 30 percent cost estimate and is scheduled to provide the 60 percent GMP in February 2010. This will be the major GMP for all construction not awarded in previous GMPs. The Department will review the GMP and negotiate the final price with the CMAR. It is anticipated that negotiations will be completed by the end of April 2010. The current construction budget is \$212 million and the saving from the approved GMPs total of approximately \$6 million are not reflected in the current budget.
- **Ina Energy Recover Facility (ERF)**. Qualification statements for the Ina Road ERF were received this past Monday. This will be a Design Build Operate (DBO) contract when it is awarded. The Department anticipates getting the modification to the air quality permit for the new facility in 18 months. CH2M Hill is currently working on gathering the required data and modeling efforts for the permit modification. This is a major milestone for meeting the deadline.
- **Central Lab Complex**. The Request for Qualifications (RFQ) for the civil site work design to be issued this Friday. The RFQ for Central Lab Complex Building design was issued on Friday November 13, 2009. Central Lab Building and Site Work must be completed by December 2011 to accommodate Ina Road modification schedule.
- **Water Campus Facility**. This facility will be delivered under a Design Build Operate (DBO) contract. Mike Gritzuk made a detailed presentation at a previous RWRAC meeting. The Board of Supervisors authorized proceeding with DBO procurement on Oct 20, 2009. The Department's Request for Preliminary Technical Proposals was issued on November 9, 2009. Overall, the procurement process will take about 12 months and anticipates the DBO contract will be awarded in December 2010.

Ms. Bowen announced that each of the Committee members received a copy of the draft Design-Build-Operate (DBO) Service Contract at the meeting today. There will be a detailed presentation in January, but if anyone on the Committee would like an individual discussion with staff, contact Diana Hofsdal.

**3. System-Wide Odor Control Program Update.** Jackson Jenkins, Deputy Director, gave the Odor Control Program update and distributed a copy of the Odor Report. Comparatively since 2003 there average number of complaints for the historical 3<sup>rd</sup> quarter was 162 odor complaints. In the past 3<sup>rd</sup> quarter there were 146 complaints. Only nine of the complaints were from the Roger Road area. A couple years ago efforts and money were focused primarily at Roger Road on a holistic approach to odor. Some of these efforts must now be revisited. For example, ideally the large ducting that vents the odor areas should have been fiberglass, which is more expensive. The material that was used is showing some corrosion in the ducting due to the high moisture content in the gases. This allowed some odors to escape. Epoxy-type corrosion resisting coating has been necessary.

Also, some Granulated Activated Carbon (GAC) Units have failed. In some instances it was due to corrosion. Even though it was past the one year warranty, the vendor realized that corrosion does not happen over night and replaced them.

The E-Nose units have helped pinpoint that one of the largest sources of odor is still at the digester complex, which was not significantly addressed in the initial efforts. They have found some plugage in the pipes that they might not have been aware of had they not focused on that area because of the E-Nose. The 1950s era technology tied to current technology has resulted in some pressure pop-off in the digesters, which is also contributing to the odor. Additional money will be spent this year for a common header for the digesters and a new burner will be installed, which will minimize many of the pop-offs. There is still some odor around Roger Road, but hopefully they will get back to the reduced odors of last year.

The rest of the system has been working well. There is approximately a 50/50 split between the complaints between public and private systems. Not all odor problems in Pima County belong to the Department.

Mr. Stratton asked if the private system complaint locations are tracked and what the Department can do to help the private systems to control their odors, such as County regulatory authority. Mr. Jenkins said that many are the same but he doesn't know the percentage. The Industrial Waste Control group may become involved in overseeing the private systems. It is in the discussion phase.

Mr. Carlson asked about the number and location of private systems. Mr. Jenkins said that primarily, private systems are lift systems. Communities in canyons need to pump their sewage up to the County conveyance system. In some cases there are only a few houses, so the system doesn't pump for weeks and odors are emitted.

Eric Wieduwilt said that some of the private systems do not pump efficiently. We have no authority except when it discharges into our system.

Mr. Carlson asked if large systems are a factor. Mr. Jenkins said that the small, satellite systems are the problem.

Mr. Carlson said that the map on page 10 of the report shows there is only one odor complaint associated with Roger Road. Mr. Jackson said that the map is deceiving. He can personally attest to them.

Laura Fairbanks, Community Relations Manager, said that when there are problems with odors from private systems, Dennis Froehlich, our odor manager, does work with those private entities. We can not do maintenance for them, but he does give them tips and techniques on how to reduce odors.

Mr. Carlson asked if they can be sued. Mr. Avery said he did not know why not. Mr. Jackson said that unfortunately many of the systems are passing the odors downstream, so they don't have a personal incentive to fix them as the odor is not in their neighborhood.

Ms. Bowen asked if ten issues are reported, if that was reported as one or ten. Mr. Jackson said that each complaint is counted as a complaint, as per Ms. Fairbanks.

Mr. Barry said that there was an odor at the State Building on Congress recently and asked if there were complaints. Mr. Jackson said there is a known stagnated zone downtown. Numerous complaints have been received.

**4. Financial Update.** Jeff Nichols, Pima County Finance and Risk Management Division Manager, gave the financial update.

- **Budget.** All base budget targets, the assumptions and other information have been received from the Pima County Finance office. That information has been distributed to each division within RWRD. Despite the fact that the County Administrator has suspended zero based budgeting, each line item requested and every cost center in RWRD is required to show a justification. Decisions are based on historical spending.

All department budgets are due to Pima County Finance by February 9, 2010. From March 15 – 19 the County Administrator has meetings with each department. On April 30, the County Administrator will submit his recommended budget to the Board of Supervisors. On May 18, there will be recommended

budget hearings and the tentative adoption of the budget. This just sets the limit for the budget. It can still be reduced but it cannot be increased. July 19 is the statutory date for tentative budget adoption. The Board is currently scheduled to adopt a budget on an accelerated pace on June 15, 2010. August 2, 2010 is the statutory date for adoption of the budget.

- **Financial Plan.** The Board of Supervisors will receive and update from staff on December 1. Finance has prepared an action item for the Department. John Bernal, Deputy County Administrator, is determining if that actually has to be an action item on the agenda or if the Board can just be updated by memorandum via Chuck Huckelberry, County Administrator.

The Board of Supervisors will be updated on the state of the economy as it relates to connection fee revenues. The Department is on budget for this fiscal year, but at a reduced level from prior peaks during the building boom – less than 50 percent than our highest collection year. RWRD will also report on the status of the Sewer Outreach Subsidy program. There has been a 16 percent increase in participants. The majority of the participants receive a 75 percent reduction in their monthly sewer bill. Several different methods are being utilized to get the information out: the internet, monthly bills, and the Pima County Community Action Agency is doing community outreach with various groups.

The financial plan assumptions have been forwarded to Raftalis Financial Consultants. Jeff will provide the assumptions to the Committee later in the week. The significant changes will be highlighted in red.

The data that has not been given to Raftalis yet includes actual historical expenses (as some of the increases in the model are based on them) and a five-year Capital Improvement Plan (CIP). In the past RWRD has done a good job of delivering their CIP, and it will get even tighter as the plan is being driven by a few large projects. Once a large project is off the ground and the GMP packages out and construction starts, money is spent fairly predictably. Raftalis also needs the assumed debt structure to finance the ROMP. All of this information has to be included in the model to determine the effect on the rates. If the model shows that rate increases necessary to fund the CIP and Operations & Maintenance (O&M) can't be sustained, then RWRD may need to review the CIP program and reprioritize. There is very little in the CIP that is not mandated by the AZ Department of Environmental Quality. The majority of RWRD projects other than ROMP are mandated due to the Capacity Management Operations and Maintenance (CMOM) program – things that need to be done to the conveyance system to maintain the system at an appropriate level. The financial modeling results should be available at the December 2009 meeting.

Mr. Carlson asked if there was an estimate for the rate increase amount. Mr. Nichols said that based on the 2008-09 Financial Plan there would be an average 8 percent annual rate increase. He could provide the Committee with a copy of what was in that Plan. The increase will be dependant on the financial planning assumptions.

Mr. Flores asked what the percentage of the overall operating budget was for the conveyance system and if it includes upgrades or just emergency repairs. Mr. Nichols said that there is an Operations & Management component and CIP component for the conveyance system. He can get those percentages to the Committee. The conveyance system was previously operated based on a permit for each of the treatment facilities. Under law, RWRD could operate any conveyance system that was tributary to the treatment facility. When the CMOM program was started, RWRD received a separate permit for the conveyance system itself. With that permit there are certain requirements that must be met over a 10 year period and certain improvements and maintenance that is required to the conveyance system.

Mr. Wieduwilt said that, upon entering into the CMOM permit, there is a 10 year period to correct any capacity problems identified in the system at that time.

Mr. Barry asked if the current Financial Plan and CIP are online and what role this Committee plays in the budget and financial planning process. Mr. Nichols said that they are online. The Committee role in the budgeting process is very small. The budget is based on what staff is given by Pima County Finance as targets for the budget. The Committee's role is larger in the financial planning process. That is where the budget and the five year capital improvement program are put together in the financial model. This gives a projection of the rates. The Committee can ask any question they want and staff will respond accordingly. In January or February, RWRD looks for support for a recommendation to the Board of Supervisors from the Committee. Reports can be provided for every line item requested by every division, as well as justifications.

Mr. Barry asked if this Committee is asked to take a vote on anything. Mr. Nichols said yes. The Committee will be asked to vote on whether they support the staff recommendation to the Board of Supervisors for rate increases.

Mr. Carlson said that, as individuals, they can testify before the Board of Supervisors.

Mr. Nichols said that there is also a public meeting requirement. After that meeting closes, a regular meeting opens and the Committee takes action as to whether they support staff's recommendations or not.

**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.

Ms. Bowen asked about the Phase 3 recommendations from the Water Infrastructure, Supply and Planning Study Oversight Committee. Ms. Seacat said the Oversight Committee had that on their agenda for December, which will be after this Committee's meeting.

Ms. Bowen if the preliminary modeling results from Raftalis would be discussed in detail. Mr. Nichols said that could be done. Once they are comfortable with the results they will bring a draft financial plan to the Committee and also ask Mr. Smith from Raftalis to come before the Committee and give a presentation.

Ms. Bowen asked about the capacity model and a presentation that she has seen on the conveyance system. Mr. Wieduwilt said that they just gave a presentation to the AZ Department of Environmental Quality on the hydraulic model. He would be happy to present that to the Committee at a meeting early in 2010.

Mr. Carlson mentioned an upstream unit that is not repaired. Flows are pumped from the south east to Roger Road then pumped back. It seems that there should be an interim south east plant. Mr. Wieduwilt said that is a separate topic. That can also be presented to the Committee.

Mr. Barry said that he would be very interested in getting an archeological briefing from Ina Road.

Ms. Bowen said that the next meeting is scheduled at Ina Road and a tour is planned. At the next meeting, the voter bond authorization will be discussed in addition to the regular agenda items.

Mr. Curley said that a status update can be given.

Mr. Flores asked if the hydraulic capacity model also included the conveyance CIP Program. Mr. Wieduwilt said that it is used to identify future capacity restrictions that will roll into CIP augmentation projects. One example is that our model identified capacity problems on the North Rillito. We have already developed a project to investigate an alignment study to put a siphon from the North Rillito to the South Rillito to divert flow to reduce that problem.

Mr. Flores said that scenario planning is being recommended by the City/County Water Study. He is aware of a project in the Regional Transportation Authority to accelerate intersection improvement on Grant and Oracle. He assumes that there is a sewer line there. They want to promote higher density in that corridor. He would like to learn how the model works with proposed or conceptual land use and integrates with other scenario planning activities. Mr. Wieduwilt said that can be discussed.

Mr. Carlson said that the Committee said that Adam Bliven should be recognized for his participation on the Committee.

Mr. Curley said that he will be presented with a plaque.

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

**VIII. ADJOURNMENT.** The meeting was adjourned at 8:49 a.m.