

REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

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

Wednesday, January 19, 2011

MEETING MINUTES

Committee Members Present:

Jeff Biggs	Barbee Hanson	Kendal Kroeson	Mark Stratton
Sheila Bowen	Bob Iannarino	John Lynch	Ann Marie Wolf
John Carlson	Bill Katzel	Armando Membrila	Mike Gritzuk

Committee Members Absent:

Brad DeSpain Rob Kulakofsky

I. CALL TO ORDER. Chair Sheila Bowen called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:49 a.m.

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

III. APPROVAL OF MINUTES. The minutes of the December 22 meeting were approved.

IV. DISCUSSION

A. Old Items/Updates

1. System Wide Odor Control Program Update. Dennis Froehlich gave an update on the System Wide Odor Control Program. This program is designed to address odor issues throughout the County. Odor control at the Roger Road facility is still a priority. Chemical additions are now being used in order to abate odor at this facility. The addition of Ferrous Chloride is being used and will improve settling and precipitate sulfur compounds. The biogas system at the digesters is also being addressed. The Ina Road facility is also a priority and odor control issues are being addressed in conjunction with the facility upgrades. Public system odor complaints have gone down in the last two quarters. The one exception occurs in the southeast where complaints came in regarding one of the major interceptors called the Southeast Interceptor. It is possible that some of the odor resulted from sources that are in the vicinity of the University of Arizona Research Area (Science & Tech Park). The other possible source area is the State Prison Complex and Federal Prison Complex. Industrial Wastewater Control is actively investigating these sources and they are working on an agreement with the State Prison Complex to control their source strength. The County has initiated a program of using a much higher rate of a nontoxic odor control agent which is both successful and cost effective. Other control actions include enhanced treatment at Rancho Del Lago, carbon manhole filters, and planned and future improvements system wide.

John Lynch asked if the current budget had funding for these improvements. Mr. Froehlich stated that there might be a slight rescheduling so as to avoid certain operating costs but if there are significant odor issues funding is always made available to address those issues. Jackson Jenkins added that flexibility with funding will continue.

Sheila Bowen asked if any CIP projects had been planned for the outlying areas. Mr. Froehlich said that Green Valley has expressed concern about odor control and the County is considering a covered facility and other alternatives. The new technology is very efficient and cost effective.

2. Continued Discussion of the Proposed Marana 208 Plan Amendment. The Proposed Marana 208 Plan Amendment was referred to the committee for discussion. Mark Stratton referenced a letter sent by Mr. Chuck Huckelberry of Pima County to Mr. Gary Hayes of PAG on December 27, 2010. Mr. Stratton asked Claire Zucker of PAG if she could speak to PAG's position with respect to the items outlined in Mr. Huckelberry's letter. Ms. Zucker stated that at this point PAG was in discussions with counsel about the options open to PAG and they have not received any word from counsel. Mr. Stratton continued by asking if there were any additional meetings with PAG regarding this issue since the last RWRAC meeting. Ms. Zucker said that there have not been any additional meeting except for the Scope of Work Task Force meeting that occurred on the same day of the last RWRAC meeting. Mr. Stratton asked if the process was now out of the Scope of Work Task Force and Ms. Zucker said that it had been moved on to the Watershed Planning Subcommittee. The Watershed Planning Subcommittee was due to meet at the end of January.

Ms. Bowen stated that if the committee had any questions Dorothy O'Brien or Mike Caporaso were here from the Town

of Marana to answer those questions.

Mr. Lynch asked if the Town of Marana had submitted any additional information in support of the 208 Amendment since the last presentation. Ms. Zucker said that she did not believe so but that they had submitted a technical memo at the Scope of Work Task Force meeting.

Bill Katzel asked if the Town of Marana had answered any of the Pima County Administrator's concerns to date. Frank Cassidy from the Town of Marana asked Mr. Katzel which concerns he was referring to. Mr. Katzel said that he was referring to the December letter sent from Pima County to PAG and the list of concerns contained in that letter. Mr. Cassidy stated that the Town's position is that they have repeatedly responded to Mr. Huckelberry's questions and that the County has raised an issue about some kind of qualitative comparison of the proposed Marana treatment and whether it has more social merit or something rather than leaving it with Pima County. The Town does not believe that type of analysis is suited to the 208 Process. The 208 Process is to determine whether or not the Town of Marana has the financial capability and the expertise available in order to treat wastewater in accordance with all applicable laws including environmental and the Town thinks they have demonstrated that repeatedly. Ed Curley added that Pima County did not feel some of the questions left on the table at the last Scope of Work Task Force meeting had been answered. Pima County still does not believe the Town has specified how the Plan Amendment will address financial, social, economic and environmental impacts in the region. There are still issues about the proposed DMA boundaries as well as future technical issues that have not been addressed. Pima County does not feel that the Town's position of wanting only the authority to treat without the actual facilities, agreements, or financial plan to do so is appropriate. There is also the concern over the current Marana Treatment Plant and what will become of the plant given the substantial financial investment by Pima County and its residents.

Mr. Stratton stated that it was his understanding that the Town of Marana had offered to buy the plant from Pima County and Pima County had refused to sell. Mr. Stratton said he felt that if the County is not willing to sell the plant if the Town of Marana gets the DMA, then it is really the County's decision as to who will bear the burden of the cost of that plant. Mr. Curley stated that he thought it was another example of how ill advised this request is given the fact that there is already a treatment facility in the area that has been financially invested in and functional. Mr. Curley continued by saying that Pima County feels no obligation to sell its asset to someone else to do the job Pima County is currently doing. Mr. Stratton said that, though he did not disagree, the Town, through voter authorization, has the authority to be in the wastewater business and if they so choose with the appropriate approvals from the PAG process why shouldn't they be able to do that? Mr. Stratton further stated that he did not believe it was a good thing or a bad thing but that the issue was simply that the Town of Marana had the authority through voter authorization. Mr. Chuck Wesselhoft stated that Pima County did not believe the Town of Marana had authority under statute which overrules any voter authorization.

Mr. Bob Iannarino asked if the obligation of the committee was to provide some type of recommendation on this issue and whether it was necessary for the committee to be discussing and coming up with a decision between support for the Town of Marana or Pima County. Ms. Bowen said that from the perspective of the PAG 208 Process, the committee was there to represent the public and any opinion they wanted to put forward was up to the pleasure of the committee. Mr. Iannarino then rephrased his question by asking if a recommendation by the committee was a requirement. Ms. Zucker indicated that it was not. Chuck Wesselhoft added that the committee could not directly comment on the 208 Process.

Mr. Katzel said he felt they represented Pima County Wastewater Management as an advisory group to the Pima County Board of Supervisors (BOS) on all Pima County Wastewater Management issues and that the committee needed to take a position one way or another and make a recommendation to the BOS.

John Carlson added that the water problems in the region needed to be approached as a community and the committee should assist by advising the BOS on water issues as they relate to the entire region.

Armando Membrilla agreed with Mr. Carlson but said that he had a couple of questions. First being whether the residents of the Town of Marana had been given the opportunity to voice an opinion on this issue. Dorothy O'Brien said it was her understanding that the Town originally offered to purchase the Lockett Plant (Marana Wastewater Reclamation Facility) and that request was denied. As a result, legal action has taken place. A vote went to the population of Marana many years ago asking if the residents wanted to be in the wastewater business and the voters said yes. That is one of the primary things that allows the Town of Marana to move forward. The Town asked PAG about the process for achieving Designated Management Agency (DMA) status and the Town has proceeded with the advised process. There has been some question about the proposed boundaries within the Plan Amendment. It must be understood that water and sewer kind of go hand in hand and the reality is that if you live outside the Town limits and you want water chances are you are going to go to one of the areas, specifically the Town, saying you want water service. The council has already adopted the policy that says if you want water service you must annex into the Town. The Town's general plan limits are the requested area of the DMA boundaries. The Town specifically stated within that document that the Town wants the DMA for the entire area which allows for planning for the entire Town. The Town seeks to be the wastewater provider

for their service area only. The Town is not looking to take the flows away from Tucson Water, however, for many years the Town and Tucson Water have been in negotiations for the purchase of that area. This is the appropriate measure for the Town to move forward. The Town wants to be in control of their own water resources.

Mr. Membrila asked for clarification as to the fact that the vote was put to the residents years ago and had the Town enlarged its parameters since that vote. Mr. Cassidy answered that the Town had gotten larger since the vote, which might have been in 1995, but that the question had been very broad and has not been put back to the voters since then. The public must give feedback through the election process. The continual reelection of the Town officials confirms the direction in which the Town is going. There is no ability for the Town to simply place an advisory question on the ballot. The State has that authority but municipalities and counties do not. Ms. Zucker added that the PAG Process allows for a public hearing that will be held in the Town of Marana. However, that meeting will be held forty-five days after the plan goes through the Environmental Planning Advisory Committee. At that point both the Watershed Planning Subcommittee and EPAC will have voted their recommendation to send it forward to PAG management and regional counsel. Comments that are received at the hearing will be forwarded to the management committee to be considered along with the recommendations of the subcommittees thereby making them part of the decision process for management and regional counsel.

Mr. Membrila continued by saying that he had spoken with other Marana residents and they said they had no knowledge of this Plan Amendment and that it appears they are too late to voice an opinion. Ms. Zucker confirmed that at this point it would be difficult for the public to greatly affect the process unless the management committee and regional counsel override the committee recommendations if there is, in fact, a difference of opinion. Mr. Membrila expressed his concern that the vote was taken over ten years ago and that perhaps there needed to be a revote.

Ms. Bowen asked if the public hearing was inherent in the process or whether that was specific to this issue. Ms. Zucker indicated that it was inherent in the process. Ms. Zucker added that the challenge was taking it to the public at a point in the process where the only effect they can have is on the later part of the decision making. At that point the amendment cannot be changed. The public can recommend that the amendment not go forward but the amendment has already gone through a process to reach a final stage and that is what is being reviewed by the public. If the amendment were to be changed based on a public hearing then the public would be unable to comment on the final amendment. Ms. Bowen asked if there were members of the public on these review committees and Ms. Zucker confirmed that there were.

Mike Caporaso said that there was a public process including twenty-one Scope of Work Task Force meetings, Watershed Planning Committee meetings and EPAC meetings. This has occurred over the last couple of years and the same round of presentations is being made to those committees. The Town of Marana will continue through that public process prior to the public hearing which will again be another opportunity for the public before the Plan Amendment goes to the management committee and regional counsel. The opportunity for public comment is out there and has been out there and follows the PAG Process.

Mr. Katzel asked at what point in time does this committee need to act with their advisory in order to be effective in the process. Ms. Bowen asked Mr. Wesselhoft to clarify his earlier statement regarding the committee's role in this process. Mr. Wesselhoft stated that, as individuals, the committee members could participate in the public process but the committee itself has no authority to issue an opinion to the 208 Process. Mr. Wesselhoft added that any recommendation made by the committee would be directed to the BOS indicating opposition or support of the Marana 208 Plan Amendment. Mr. Katzel asked at what point this recommendation to the BOS would need to be made. Mr. Wesselhoft said that it would need to be sometime before the EPAC meeting in early February. Mr. Katzel said he felt the committee needed to come to some sort of conclusion at this meeting in order to be effective.

Mr. Membrila asked how the costs were arrived at as far as Marana being able to afford this plan if it goes through. Ms. Bowen asked if Mr. Membrila was referring to the purchase of the plant or operational costs. Mr. Membrila indicated he was referring to everything that would require funding in this plan. Mr. Cassidy said that the Town of Marana had hired Economist.com to determine costs. This firm has experience with wastewater services throughout the world but does a lot of work in Arizona and is very familiar with the costs associated with the plan. The Town then applied some of the specific costs to the firm's information. The rate analysis has determined that the rates will be equal to or less than Pima County's rates. The Town's financial capability has been established through lining up lending with WIFA and others as well as relying on Marana's fairly robust budget. Financially, the Town's bond rating has gone up in the last several years and that determines the Town's ability to buy the new facility. Mr. Cassidy added that the Town was objecting to Pima County's request to have more than a statement of ability to finance. Mr. Cassidy added that Pima County wants to turn the 208 Process into a rate review process which Pima County didn't do themselves in their own 208 Processes. The rates are always treated separately and the Town thinks Pima County was correct not to include them in their ROMP 208 but wants it recognized that the Town doesn't have to prepare a rate presentation either. Mr. Cassidy stated that the point is to show that the Town has the financial capability to carry this out because one of the things that keeps coming

up is that this will be an expensive plan and Marana will never be able to afford this. As a point of fact, Pima County is the only county that provides these services throughout the state and pretty much throughout the country. It is the municipality that provides wastewater services. Very small jurisdictions throughout the state provide these services. This is not rocket science. This is not a phenomenally expensive process. The costs are typically known and, if anything, costs are being driven up by the inability to reach any kind of agreement with Pima County. Mr. Cassidy continued by saying that Mr. Curley had earlier stated there were no agreements but the Town believes that it was Pima County who was blocking the Town at every avenue and trying to keep the Town out of the business by not talking about selling the Town the Marana Wastewater Treatment Plant. Yet, Mr. Cassidy continued, Pima County says we can't build our own plant because that would dry up the existing plant. Mr. Cassidy said that the Town believes that they are certainly as well off as other municipalities throughout the state in terms of their financial capability and probably better off than most.

John Carlson said that the committee should go on the record regarding this issue and should consider their recommendation as effecting things regionally.

Ms. Bowen asked Ms. Zucker how PAG views this in terms of a regional effort. Ms. Zucker said that there is no clear answer. Over the years, PAG has always felt that a regional wastewater system was a benefit of the PAG region. However, you can define a regional system in a variety of ways. There could definitely be a smaller subdivided system and say that it is still regional because there is coordination. Ms. Bowen asked if that was PAG's role under EPA and Ms. Zucker said that PAG's role is the designated planning agency and as such they have the requirement to maintain a 208 Plan and to amend that plan should there be significant or new wastewater facilities or a change in management authority. PAG must review things case by case.

Eric Wieduwilt added that this issue was originally brought to the committee because of the complexity keeping in mind that it is not just the 208 Process but the litigation that is still ongoing. There is also the understanding that Pima County has conveyed to the Town of Marana that the bond covenants may prevent the County from selling the Marana facility to Marana. Mr. Wieduwilt asked the committee to keep in the mind the possibility that this plan might not work out the way the Town has mapped it. Mr. Wieduwilt commended Marana for their commitment but, from the County's perspective, there are many loose ends and the repercussions to Pima County's Wastewater Department may be greater than what is being purveyed by Marana.

Mr. Curley added that there is a distinction between 'can this happen' and 'should this happen'. One of the things during the PAG Process is that Pima County has tried to get answers to some of the questions so that the community could evaluate the feasibility of the plan going through both financially and technically. Rather than blocking the process, Pima County has simply been asking questions that, while uncomfortable, need to be answered. This way the community, through the public hearing process, has to answer the question of whether this is what the public wants to do to the community. Do the social, economic and environmental impacts of the plan weigh the community to feeling one way or another?

Mr. Lynch stated that his understanding was that any recommendation the committee made would be moot. Mr. Lynch added that whatever the committee did would be cosmetic at best. He said he felt that the committee should view this issue for discussion and information only and that any action of this committee would have no effect on the outcome.

Mr. Carlson said that he disagreed as it was the responsibility of the committee to speak as representatives of the public. He added that the committee should go on record with a recommendation.

Barbee Hanson said that it might be true that a committee recommendation would have little effect but that it was her belief the committee should express an opinion to the BOS. Ms. Hanson added that for her part she would vote against recommending the sale of the Marana Treatment Plant by Pima County to the Town of Marana on the grounds that she does not believe Pima County has been given sufficient information to support the idea.

Mr. Iannarino said that the committee members are appointed to represent the community, including Marana, and that it was the responsibility of the committee to give a recommendation on behalf of all citizens of Pima County. Mr. Iannarino said he was in favor of giving Marana an opportunity to pursue this plan but that more financial information was needed.

Ann Marie Wolf said that she agreed the committee had a responsibility to comment on this issue especially since the outcome will affect the County, the Department and all citizens.

Mr. Membrilla said that the committee was designed to provide input on behalf of the residents of Pima County. The BOS will use the committee's recommendation as feedback and that is what the committee is there for.

Mike Gritzuk summarized the position of the Regional Wastewater Reclamation Department of Pima County by saying

that state legislation has deemed Pima County the Designated Management Agency for the area and the County strongly feels that this is the most cost effective way to provide wastewater services to the region. It is also the right forum to address global water and wastewater issues for the region so it is not just the cost for wastewater treatment. It is water, wastewater and how to regionally take care of those resources. It must also be recognized that rash claims cannot be made for the effluent because all of the effluent that is produced by the system is owned by the County, Tucson Water and the Bureau of Reclamation. In fact, the Bureau of Reclamation has the largest portion of that effluent. The customers that are served in Marana are also Pima County customers and there is the obligation to those customers to give them the most cost effective and proper wastewater services which Pima County feels they are doing. Pima County feels that some of the cost figures and data presented by Marana is suspect and Pima County has asked for more data. Pima County does not feel that Marana can provide wastewater service to Marana customers more effectively than Pima County on a regional basis. The sale of the Marana plant is also complex. The County has an outstanding indebtedness on that facility and it is the desire of Pima County to recoup that indebtedness. There is also the matter of bond covenants that has to be addressed in the event Pima County could sell the facility. Mr. Gritzuk added that these are just some of the reasons why Pima County feels the regional system is the most cost effective and technically effective way of providing wastewater service for the area.

Mr. Carlson made a motion by saying that, noting the recent accounting of availability of water for Pima County's future, as brought forth in numerous public hearings of the water and sewer joint committees of the City and the County, we would recommend that they not consider Marana's request for a separate facility of ownership and operation at this time. Knowing that there might be additional information in the future that might alter any particular course of action, this is what the committee feels should be done at this time.

Mr. Iannarino asked that the reference to the committees put forth by the City and the County be removed from the motion.

Ms. Bowen stated that as a point of order there was a motion on the table that needed to be seconded in order to discuss.

Ms. Hanson seconded the motion.

Mr. Carlson added that anyone from any jurisdiction was invited to speak at the referenced City and County committees and there was some participation. The thought at these meetings was to think regionally and consider actions for the entire community.

Ms. Bowen asked for clarification on Mr. Carlson's motion and said that she understood him to mean that the motion intended to recommend that Pima County remain the regional wastewater entity including the results of the water study and regional dialogue. Mr. Carlson indicated that this was correct in that the future depended on a regional mindset.

Mr. Katzel asked to amend the motion by adding the social, economic and environmental concerns of the County. Mr. Carlson said he had no objection to that amendment. Ms. Bowen asked for clarification on the amended motion. Mr. Katzel referred to Mr. Curley's earlier statements regarding these concerns.

Ms. Bowen reread the amended motion saying that noting the recent availability of water for Pima County's future as brought forth in the water study, this committee would recommend not to consider Marana for separate ownership and operation at this time. Mr. Katzel added that this motion referred to the plant but that the issue before the committee in terms of a recommendation to the BOS goes beyond just the plant. Mr. Katzel continued by stating that it goes into the social, economic and environmental concerns of the proposal that Marana is putting forth. Ms. Bowen rephrased the motion by adding the phrase 'in light of the social, economic and environmental concerns' to the end of the motion.

Mr. Lynch stated that he had a concern only from the standpoint that the 208 Plan Process is very well delineated at the state level including a checklist to be followed in accordance with any plan amendment. Mr. Lynch's concern is that what is being heard in the motion is that the committee is getting involved in areas that are outside the checklist criteria that PAG will be looking at with regard to the request from Marana for this Plan Amendment. He added that he had no problem with the committee stating that the committee recognized that the 208 Plan Amendment and PAG's role in the 208 Plan Amendment Process is the jurisdictional process by which the EPA has established for considerations of these types of issues. Mr. Lynch said the committee could make a motion saying Pima County and the Department pursue their concerns in accordance with the 208 Plan Amendment Process to their fullest ability. It should be understood that this is what the committee is limited to do which is to say that the committee resolves that Pima County has some concerns that they should take through the proper process which is the 208 Plan Amendment Process and be given a full and complete hearing to the County's satisfaction within the realm of what they can do at this level with the Plan Amendment process.

Mr. Carlson asked if Mr. Lynch was indicating that the committee should not recommend in any way that they keep in mind the future water scarcity. Mr. Lynch suggested that this topic was for a different discussion, different venue and a different time. Ms. Zucker added that though ADEQ has a checklist which is followed has lots of technical information about the amendment, some of it was not written specifically for today's situations or particular areas because it is for the whole state. Ms. Zucker continued by saying that one of the overriding things it says is that we're looking at technical policy and planning when we look at the 208 Amendment. It is very clear how to deal with the technical aspects because they are in this checklist but it is less clear how you deal with policy and planning issues. It has been explained to the various review groups that it is within the ability of the 208 Process to think about policy and planning in addition to just the technical checklist.

Mr. Lynch said that the mechanism and the venue for airing those issues is the 208 Plan Amendment Process and not necessarily this committee and that his opinion is that Pima County should pursue these concerns because they have documented and expressed them well. Mr. Lynch continued by saying that he believed many of Pima County's concerns were valid and needed to be aired. The motion, Mr. Lynch felt, should basically say that Pima County should pursue these to the fullest extent allowed through the 208 Amendment Plan.

Kendall Kroesen said that he felt the County has been asking legitimate questions about Marana's desire to take on wastewater treatment and that the Marana utilities director mentioned the best uses of effluent. There might be differences of opinion on what the best uses of effluent are so there are many questions here and perhaps a middle road for the committee is to commend the County for continuing to ask these questions and to simply continue the process of review of Marana's request. This middle road recognizes that Marana is seeking the best thing for their constituents in terms of how they would like to go forward.

Mr. Carlson asked if that meant that the County should forgo what is best for the region in favor of what is best for Marana. Mr. Kroesen said he would not go that far but that the recommendation is to the BOS and not to Marana and that there is a difference of opinion and, in line with the comments made about technical, social and environmental issues that go along with this, the committee should ask the BOS to continue to bring those up.

Mr. Lynch said that there were actually three points to consider. The first point being that the 208 Plan Amendment Process is the established process by which an entity goes through to determine who the appropriate management agencies are for the metropolitan area. The second point being that Marana has every right to seek a plan amendment as a jurisdiction and status as a management agency. Finally, that Pima County has significant and valid concerns with regard to Marana taking on a role of management agency and Pima County should pursue all and every concern through the appropriate 208 Amendment Process.

Mr. Carlson continued to insist on the addition of future water scarcity. Ms. Wolf agreed and suggested the addition of the phrase 'keeping in mind the regional aspect of water and wastewater management for future resources.'

Mr. Lynch made a substitute motion that this committee recognizes the 208 Process is an established process, that Marana has the right to seek authority, that Pima County has significant concerns including continued regionalization and water resources and that the County should pursue its concerns with a concerted effort through the 208 Process.

Mr. Iannarino seconded the substitute motion. The motion was passed 9-1.

Overall Financial Update. Ron Meck gave a brief financial update. The Finance Department is working with RWRD to finalize the 2011/12 budget and the hope is that the process is complete in the next two weeks. Also, they are working with the department to finalize their CIP project going out. Both of these items have a direct bearing on the financial plan.

Jackson Jenkins wanted to make sure that the committee was aware that the current criteria they are working under for budgeting for RWRD was set forth by the BOS who passed a motion that said the budget limitation for RWRD will be 3.4 percent increase each year from the actual audited final budget in the Fiscal Year 2009/10. In Fiscal Year 2009/10, RWRD spent just over \$69.9 million in O&M costs so this current year RWRD took the \$69.9 million and multiplied it by 1.034 to come up with the maximum budget allowed for Fiscal Year 2010/11. That rule is to carry on each year, however, because of continued uncertainty in the economy and the unknown state legislative budgeting process, the County Administrator has put out a directive for all departments to look at this Fiscal Year 2011/12 budget as being a 1.5 percent decrease from the current budget. So instead of taking the 3.4 percent, RWRD is working to come up with a decrease in budget.

Mark Stratton said that he thinks it is imperative that the committee sees an updated financial plan that addresses those reduced costs and whether or not a potential recommendation for decrease in the proposed rate increases can be seen.

Mr. Carlson wanted to commend John Warner on some recent work done by Mr. Warner's division in Mr. Carlson's residential area.

Mr. Lynch asked Mr. Meck if he could speak about revenues and whether they were trending or if they were flat. Mr. Meck stated that there had been a built-in escalator for the current year so revenues are up. Those revenue increases were required to meet the debt obligations which are being incurred as part of the funding for the ROMP as well as regular ongoing CIP projects so there is no rate increase that is being recommended at this time. Last year the BOS approved a four-year rate plan which included escalators at the beginning of each fiscal year. Mr. Lynch clarified his question by saying that in regard to the increases that have been put in place, was the revenue being generated that was anticipated from those increases. Mr. Meck felt the revenues looked adequate to meet the financial needs. Growth is low and volume per household is trending down. This is not a surprise and is not enough to upset the financial plan.

B. New Items

1. 2011 Work Plan. The 2011 Work Plan was approved.

V. FUTURE AGENDA ITEMS. Update on proposed Marana 208 Plan Amendment, Financial Update.

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

VII. ADJOURNMENT. The meeting was adjourned at 9:29 a.m.