

## REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE

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

**Wednesday, February 16, 2011**

### **MEETING SUMMARY**

#### **Committee Members Present:**

Jeff Biggs	Bob Iannarino	Rob Kulakofsky
John Carlson	Jackson Jenkins	Ann Marie Wolf
Barbee Hanson	Kendall Kroesen	

#### **Committee Members Absent:**

Sheila Bowen	John Lynch
Brad DeSpain	Armando Membrilla
Bill Katzel	Mark Stratton

**I. CALL TO ORDER.** Substitute Chair Kendall Kroesen called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:50 a.m.

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

**III. APPROVAL OF MINUTES.** A quorum was not reached at this meeting.

#### **IV. DISCUSSION**

##### **A. Old Items/Updates**

**1. Regional Optimization Master Plan (ROMP) Update.** Jackson Jenkins gave a PowerPoint presentation and overview of the Regional Optimization Master Plan. The plant interconnect is complete. ADEQ is currently reviewing the test data and is expected to authorize the sewer line being put in service during the month of February. The Ina Road project is scheduled for an August 2013 completion date. The Water Reclamation Campus is proceeding as scheduled. There is, however, a hearing currently taking place regarding the contract award challenge that was put forward by EPCOR United. The Central Lab Complex work has started and is going well.

**2. Overall Financial Update.** Ron Meck gave a brief update on both the budget and the 2010/2011 financial plan. RWRD submitted the budget last week which allows the Finance Department to complete the financial plan. The financial plan consists of the operating budget and the CIP budget. The financial plan covers the current year plus four additional years. The operating budget is expected to grow the next several years by 3.4 percent per year which is the maximum allowed by the Board of Supervisor's (BOS) directive put forth last March. The current financial plan has adopted rate increases through 2013/14 which were adopted by the BOS last March. The BOS will be given an update on the financial plan as part of the recommended County budget which is due in April. In regards to debt, it is only issued as needed. Bonds are used to fund capital projects while rates are used to fund operating expenses and ultimately to pay for borrowed debt. Several of the capital projects for RWRD have come in under the guaranteed maximum that was anticipated but because these projects were financed over a fifteen year period, the savings will also be spread out over that fifteen years. Any discussion of reducing or eliminating future rate increases is premature because current costs must be covered as well as future ones. The County is looking at refinancing existing debt with WIFA. These require the consent of the WIFA board. The board should be voting on this action later this afternoon.

John Carlson asked if there was any update on what the rate increases will be to the users. Mr. Meck stated that they were already scheduled and that they would not change as they had been adopted by the BOS.

Bob Iannarino asked that because the debt issuance is going from an expected \$165 million to \$230 million in August, would the increase need to go back to the BOS. Mr. Meck said that all debt issuance must be approved by the BOS.

Mr. Jenkins added that RWRD must present updates on the ROMP to the BOS each year so that the pre-approved rates can be evaluated.

**3. Update on the Proposed Marana 208 Plan Amendment.** Eric Wieduwilt gave an update on the proposed Marana 208 Plan Amendment currently under review by the Pima Association of Governments (PAG). The Environmental Planning Advisory Committee moved the proposal forward a couple of weeks ago with the same language that was used

**4.Capital Improvement Program Update.** Mike Kostrzewski gave a PowerPoint update on the CIP Program. (Mr. Kostrzewski handed out two spreadsheets with project names and projected expenses from the 5-Year CIP for non-ROMP projects. The adopted 2010/11 budget for these projects is approximately \$15 million.) There are six major programs in place. One of the key programs is the Security Master Plan. The Department of Homeland Security declared wastewater treatment facilities to be critical infrastructure so the County is attempting to secure the facilities appropriately.

Mr. Carlson asked if projects were postponed due to lack of funding. Mr. Kostrzewski said that priority determines funding. Mr. Carlson continued by asking if the money was available should a project, that had previously been postponed, be scheduled for start up. Mr. Kostrzewski stated that funding was available for such projects.

Mr. Iannarino asked if the non-program CIP was a wish list for projects that were not in the budget. Mr. Kostrzewski said that they were simply projects that did not fit into any particular program but that they were funded projects.

**5.State Legislative Issues.** Ed Curley gave an update on State Legislation. Most of the bills are technical corrections or items for water conservation. One item of note was HB 2457 which allows greater use of groundwater savings facilities as recommended by the City-County Water Study and the Blue Ribbon Panel. This bill resulted from our ongoing collaboration with Tucson Water during the water study in which we identified, some institutional constraints on the use of reclaimed water. Another bill of interest was SB 1171 which gives a city or town the ability to take over the sewer system serving the city or town by paying the outstanding debt. This bill and the County response were included in the committee mailing.

Mr. Carlson asked the status of SB1171. Mr. Curley stated that at this point it had not been sent to the House but was scheduled to do so in the near future.

**B. New Items**

**There were no New Business Items.**

**V. FUTURE AGENDA ITEMS.** Update on proposed Marana 208 Plan Amendment, SB1171 Update, DBO Challenge Update.

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

**VII. ADJOURNMENT.** The meeting was adjourned at 8:25 a.m.